

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

February 26, 2025

AGENDA ITEM # 1

CALL TO ORDER: Marvin W. Sox, President/Chairman
(1:00 p.m.) Alan R. Lunsford, Vice-President/Vice-Chairman
Donette B. Kirkland, Secretary
J. Allan Risinger, Treasurer
J. Carey Bedenbaugh, Jr.
Eddie C. Best, Jr.
Kenneth E. Lindler
Mark A. Svrcek
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 G. Davidson, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: None

INVOCATION: Allan Risinger

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox 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 January 22, 2025. Mr. Risinger made a motion to approve the 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

2024 AUDIT REPORT: Chairman Sox called on Mrs. Crepes who introduced Mr. Kurt Kuchenbrod, Finance & Accounting Manager. He then called on Mr. Terry McMichael for his presentation of the 2024 Audit Report. Mr. McMichael stated that the Cooperative's financial statements fairly presented its financial position, as of December 31, 2024, in accordance with Generally Accepted Accounting Principles (GAAP). He then reviewed and explained the Balance Sheet, the Statement of Revenue (margin statement), and the Statement of Cash Flows.

Mr. McMichael next called attention to the various notes on the financial statements which gave more information and explanation about those statements. He advised that all notes had been carefully reviewed with the Audit Committee. Mr. McMichael concluded his presentation by reviewing a separate management letter. The management letter stated that the Cooperative's Form 7 financial report dated December 31, 2024, agreed with the Cooperative's audited records.

Mr. Risinger thanked Mrs. Crepes and her staff for the work that went into providing the documentation needed for the Audit Report. There were no further questions or comments, and Chairman Sox thanked Mr. McMichael for the report.

AGENDA ITEM # 5

CENTRAL UPDATE: Chairman Sox called on Mr. Hochstetler for an update on Central. Mr. Hochstetler gave a presentation updating the Cooperative on the discussions of the Glide Committee. He answered questions during his presentation. There were no further questions or comments, and Chairman Sox thanked Mr. Hochstetler for his report.

AGENDA ITEM # 6

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 \$17,436,719, which is \$859,793 over budget at the end of January. The year-to-date cost of wholesale power was \$10,367,837, which is over budget by \$304,757. The year-to-date margins were \$875,168, which is \$19,935 above budget. Mrs. Crepes reported that equity was 23.05% at the end of January for a decrease of -0.27%. The deferred credits account balance changed by \$321,110, and the ending balance was \$8,291,505.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,583 kWh in January. Mid-Carolina's average bill was \$219.74 (account charge \$40.30) compared to Dominion's \$222.72 (account charge \$9.50), Duke – Carolina's \$212.54 (account charge \$11.96), and Duke – Progress \$216.28 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 17,381 kWh. Mid-Carolina's average annualized bill was \$2,287.51 (account charge \$474.50) compared to Dominion's \$2,449.42 (account charge \$114.00), Duke – Carolina's \$2,528.94 (account charge \$143.52), and Duke – Progress \$2,495.71 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$489,394.67 from CarolinaConnect year-to-date. 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 on the locations the Mid-Carolina and Contractor crews worked in January. The right-of-way crews are still working in the Gilbert, Coldstream, Leesville, Springhill and Pelion areas. Mr. Wilbur stated the System Inspectors are working in the Coldstream Substation area. He reported that Tomberlin Pole Treatment is working in the Pelion Substation area. He reported that the clearing started in early December for the Carolina Crossroads project, and the final plans are due in March 2025. There were no further questions or comments, and Chairman Sox thanked Mr. Wilbur for the report.

ENGINEERING: Chairman Sox called on Mr. Ayers for the Engineering report. Mr. Ayers reported that the routine inspection and maintenance was completed. He stated the foundation work at Lake Murray Substation has begun. The power transformer is delayed by the manufacturer until May. Clean up and catch up continue on the Fiber Optic Plant.

Mr. Ayers then showed a chart graphing MWh purchased each month year-to-date from 2021-2025 with a five-year running average. The next chart showed the MW Demand purchased each month year-to-date from 2021-2025 with a five-year running average. The monthly outage report for January was discussed. 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 pictures and discussed the Linemen Appreciation Day for Helene Restoration with the Governor on January 29, 2025, SC Coop Day held on February 13, 2025, as well as the Cooperative's 10th Annual Clay Shoot that was held on February 21, 2025. He reported on the communication to the members regarding the on peak time changing to 3:00 p.m. – 6:00 p.m. effective April 1, 2025, which is a change from 4:00 p.m. – 7:00 p.m. Mr. Simpson then discussed the number of applications the Cooperative has received for the scholarships and the deadline of March 3, 2025.

Mr. Simpson discussed the Leadership Lexington County class participants for last year and this year. He discussed the Cooperative's participation in Lexpo and Lexington County Night that were held in February. Mr. Simpson reviewed the social media engagement and the quarterly schedule for the *South Carolina Living* magazine through the April 2025 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 42,414 accounts enrolled in SmartHub as of February 1, 2025, which represents 69.91% of active accounts enrolled. He stated that 87.50% of all January payment transactions were made electronically. Mr. Davidson reported that an additional 881 members enrolled in TextPower this month, bringing the enrollment total to 50,257. He stated there are now 2,988 members enrolled in Pay-As-You-Go, and 247 payments were made through the new InComm system in January.

Mr. Davidson reported there were 31,641 emails received during the month, and 8,619 emails were blocked prior to reaching Cooperative's email servers. He then gave an update on Cybersecurity. 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 January, the Trust Board approved 12 applications out of 17 for a total donation of \$32,183. The Trust Fund balance at the end of January was \$17,262. Mrs. Ross-Bell reviewed the Board calendars through April 2025. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 7

CEO'S REPORT: Chairman Sox called on Mr. Paulling for his report. Mr. Paulling discussed that there were no recordable accidents in January. He then reported that the Facilities Technician and Executive Assistant new hires started on February 10, 2025. Due to two retirements, there was a promotion from a Metering Specialist to Meter Supervisor, and a promotion from Receptionist to AMI System Operator. There was one resignation during the month, and there is current active recruitment for a Fleet Technician, Metering Specialist, and a Receptionist.

Mr. Paulling discussed the Strategic Planning meeting scheduled for April 22-23, 2025. He then reviewed the H.3309 SC Energy Security Act. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

AGENDA ITEM # 8

LEGAL DISCUSSION: There was no legal discussion at this meeting.

AGENDA ITEM # 9

CHAIRMAN'S REPORT: Chairman Sox read a thank you note. He then stated that the Board needed to appoint the "Trustee" seat for Central Electric Power Cooperative Board, which is currently filled by Mr. Risinger. Mr. Svrcek made a motion to appoint Mr. J. Allan Risinger to continue his service on the Central Board of Trustees. The motion was seconded by Mr. Kirkland and unanimously passed.

See Resolution # 2

Chairman Sox presented Mr. Risinger and Mr. Watts certificates from NRECA on renewing their Director Gold Certification. He had nothing further to report at this time.

AGENDA ITEM # 10

COMMITTEE REPORTS: Chairman Sox stated the Audit Committee's report was given earlier in the meeting. He then called on Ms. Kirkland for the Policy Committee Report. Ms. Kirkland stated that Mr. Ayers will provide the Committee with an Operations Technology Incident Response Plan to review. This plan will be included with the Cybersecurity Policy, along with the Information Technology Response Plan. There were no other committee reports at this time.

AGENDA ITEM # 11

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect's Board Meeting was held February 25, 2025. They have over 42,000 customers, with Mid-Carolina having over 20,000.

Ms. Kirkland stated that everything is going well at CEEUS. She reported that the Communications Committee has discussed a load shedding message for members.

Mr. Lunsford stated the ECSC Trustee Association Committee didn't meet this month.

Chairman Sox gave an update on Federated, and he stated the Safety Summit is coming up in April.

There were no other reports at this time.

AGENDA ITEM # 12

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

AGENDA ITEM # 13

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

AGENDA ITEM # 14

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 January 22, 2025;

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 January 22, 2025.

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 February 2025, at which meeting a quorum was present.

Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, the Board of Trustees is responsible for selecting the “Trustee” Trustee to serve on the Central Electric Power Cooperative Board with the CEO of the Cooperative; and

WHEREAS, the Board of Trustees desires to appoint the within named person as the “Trustee” Trustee to the aforesaid Board and Central’s Voting Delegate;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints Mr. J. Allan Risinger to continue to serve on the Central Electric Power Board with Mr. Paulling. They will also serve as voting delegates on behalf of the Cooperative.

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 February 2025, at which meeting a quorum was present.

Donette B. Kirkland, Secretary