

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**LEXINGTON, SOUTH CAROLINA**

**MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES**

**June 28, 2023**

**AGENDA ITEM # 1**

**CALL TO ORDER:** Marvin W. Sox, President/Chairman  
(1:00 p.m.) 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  
Steven G. Davidson, VP, Information Technology  
Vicki E. Ross-Bell, Administrative Services Manager

**ATTORNEY PRESENT:** J. David Black

**INVOCATION:** Ken Lindler

**PLEDGE OF ALLEGIANCE**

**AGENDA ITEM # 2**

**APPROVAL OF MINUTES:** Chairman Sox called the meeting to order and then asked if there were any corrections, additions or deletions to the minutes of the last monthly meeting held on May 31, 2023. 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. Watts 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 \$56,078,594 which is (\$3,605,185) below budget at the end of May. The year-to-date cost of wholesale power was \$29,171,123, which is under budget by (\$4,097,112). The year-to-date margins were \$5,060,553, which is \$568,326 above budget. Mrs. Crepes reported that equity was 24.52% at the end of May for a decrease of -0.04%. The deferred credits account balance changed by (643,911), and the ending balance was \$555,075.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 947 kWh in May. Mid-Carolina's average bill was \$121.73 (account charge \$28.50) compared to Dominion's \$138.24 (account charge \$9.50), Duke – Carolina's \$121.88 (account charge \$11.96), and Duke – Progress \$139.60 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 17,518 kWh. Mid-Carolina's average annualized bill was \$2,076.02 (account charge \$346.75) compared to Dominion's \$2,217.86 (account charge \$114.00), Duke – Carolina's \$2,044.82 (account charge \$143.52), and Duke – Progress \$2,154.46 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$1,597,052 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 May. The right-of-way crews are still working in the Old Chapin, Edmund, Friarsgate and the Woodland Hills area. Mr. Wilbur stated the System Inspectors are still working in the Springhill area. The annual pole inspection has been completed in the Gilbert, Barr, Owens, New Chapin and the Woodland Hills area. They are now inspecting in the Coldstream area. They have inspected 6,258 poles year-to-date. Mr. Wilbur gave an update on the SCDOT and County projects. He then discussed the Joint Petition of Mid-Carolina and Dominion Energy Reassignment of Territory in the Harbor Watch and Stuck Point areas. 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 May. He stated the construction of Holley Ferry Substation is underway and will proceed through the summer. 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 May 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. Paulling for the Member Services report. Mr. Paulling showed the upcoming Connected TV video productions featuring Linemen Appreciation and a Bright Ideas recipient. There are 30 second TV ads, and 60 second social media ads for each. In August, CarolinaConnect videos will be recorded. Mr. Paulling then discussed the recent Youth Tour to Washington, D.C. He reviewed the evolution of the Cooperative's culture work and brand identity, aligning the words and actions through the five core values. Mr. Paulling then discussed several ways the Cooperative has been connecting with the Community. He reported on the Cooperative's social media engagement. The quarterly schedule for the *South Carolina Living* magazine was presented through the September 2023 issue. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the report.

**INFORMATION TECHNOLOGY:** Chairman Sox called on Mr. Davidson for the Information Technology report. Mr. Davidson reported there were 38,685 accounts enrolled in SmartHub as of June 1, 2023, which represents 65.03% of active accounts enrolled. He discussed the number of emails that the Cooperative received during the month of May, as well as how many emails were blocked. Mr. Davidson discussed upcoming projects and 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 10 applications out of 14 during the meeting in May for a total donation of \$26,249. The Trust Fund balance at the end of the month was \$50,431. Mrs. Ross-Bell stated that the quarterly attendance report for the Trust Board was in their meeting folders for review. The Board calendars through August 2023, and the Fall Member Advisory Committee meeting was discussed and scheduled for October 24, 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 May. During the month of June, there was one termination. There is active recruitment for a Member Services Representative and an Apparatus Technician.

Mr. Paulling reviewed and discussed the components of the Cooperative's insurance policy renewal with Federated Rural Electric Insurance. He then presented line items of the three year work plan that supports the upcoming loan request with CFC. The hope is to present full loan documents for the Board's review and approval at the July meeting. Mr. Paulling then gave an industry update. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

#### **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 reported that the Board Committees for 2023 will remain the same. He then discussed several upcoming events. Chairman Sox had nothing further to report at this time.

### AGENDA ITEM # 8

**COMMITTEE REPORTS:** Chairman Sox called on Mr. Watts for the Compensation Committee report. Mr. Watts stated that the Committee met before this meeting, as a preliminary discussion to plan and organize review of CEO and Board Compensation. The plan is to send out the CEO evaluations in July.

Chairman Sox then called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that Board Policy 102 and Board Policy 103 were sent to everyone for review prior to the meeting. There were no recommended changes to Policy 102, and it will be marked as reviewed. There was a change in the wording to Special Meetings to align this policy with the same wording as in Cooperative's current Bylaws. The changes were discussed and approved unanimously.

#### See Resolution # 2

There were no other committee reports to come before the Board at this time.

### AGENDA ITEM # 9

**ASSOCIATED MEETING REPORTS:** Chairman Sox stated that CarolinaConnect's Board meeting was yesterday. CarolinaConnect now has over 26,500 customers with Mid-Carolina almost at 16,000.

Ms. Kirkland reported that CEEUS's new building is making good progress. She then reported the *South Carolina Living* ad sales are on the recovery path. Ms. Kirkland gave an update on the Board Meeting held at the ECSC Summer Conference held earlier in the month.

Chairman Sox discussed the informative sessions that was included at the ECSC Summer Conference.

Mr. Shealy stated the ECSC Trustee Association met at the ECSC Summer Conference to discuss the 2024 Trustee Association meeting. The Trustee Association Committee will have another meeting in July.

Chairman Sox reported on Federated, which is still doing well financially. Unfortunately, the line contacts are still going in the wrong direction.

Mr. Shealy, Mr. Watts, Mr. Lunsford, Mr. Risinger and Mr. Lindler all gave feedback on the NRECA course they attended during the ECSC Summer Conference. Mr. Lindler also discussed the NRECA course he took online in June, which completed his Credentialed Cooperative Director certificate.

Chairman Sox gave a brief overview of the CFC Forum he attended in June, which is always an informative meeting.

There were no other reports at this time.

**AGENDA ITEM # 10**

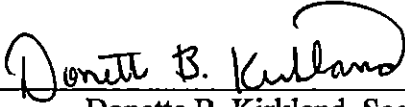
**NEW BUSINESS:** Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Bedenbaugh to enter into executive session. The motion was seconded by Ms. Kirkland and unanimously passed.

**AGENDA ITEM # 11**

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

**AGENDA ITEM # 12**

**ADJOURNMENT:** There was no further business, and the meeting was adjourned at 4:15 p.m.

  
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Donette B. Kirkland, Secretary

**APPROVAL:**

  
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Marvin W. Sox, President/Chairman of the Board

**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

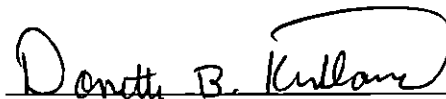
**RESOLUTION**

**# 1**

**WHEREAS**, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on May 31, 2023; and

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the May 31, 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 28<sup>th</sup> day of June 2023, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary

**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**RESOLUTION**

**# 2**

**WHEREAS**, the Policy Committee made a recommended change to Board Policy 103 – Regular and Special Board Meetings; and

**WHEREAS**, the change is the wording to Special Meetings to align this policy with the Cooperative’s current Bylaws; and

**WHEREAS**, the Board of Trustees discussed and agree with the Policy Committee’s recommendations;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommendations to Board Policy 103 – Regular and Special Board Meetings. 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 28<sup>th</sup> day of June 2023, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.  
BOARD OF TRUSTEES POLICY 103**

**SUBJECT: REGULAR AND SPECIAL BOARD MEETINGS**

**I. OBJECTIVE**

To establish the regular monthly Board Meeting date and rules governing Board Meetings.

**II. POLICY CONTENT**

- A. It shall be the policy of the Board of Trustees to hold its regular monthly Board Meeting on the fourth Wednesday of each month, unless specifically changed by a vote of the Board.
- B. Special meetings of the Board may be called by the President or by any three (3) Trustees Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Trustees Board members calling the meeting shall fix the time and place. for the holding of the meeting. During special meetings, the Board may not act regarding rates, fees, charges, Board composition, or Board compensation.
- C. Written notice of the time, place and purpose of any Board meeting shall be delivered to each Board member either personally, by electronic mail or by mail.
- D. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board member of the time and place of such adjourned meeting. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by the Bylaws.
- E. The President shall preside at all meetings of the Board and govern those meetings in accordance with such rules as the President deems fair and reasonable under the circumstances, subject to the authority of the Board. The President shall also be responsible for preparing the Agenda.
- F. The Secretary shall be responsible for content of the minutes of the Board meetings and shall also be responsible for the content and files of all Executive Sessions.
- G. The appearance by members or others before the Board will be governed by Board Policy 203.

**III. RESPONSIBILITY**

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