

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

March 26, 2024

AGENDA ITEM # 1

CALL TO ORDER: Marvin W. Sox, President/Chairman
(2:00 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
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: Eddie Best

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 February 28, 2024. 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. Bedenbaugh 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 \$27,865,899, which is (\$829,708) below budget at the end of February. The year-to-date cost of wholesale power was \$16,189,087, which is under budget by (\$897,438). The year-to-date margins were \$1,582,319, which is \$99,403 above budget. Mrs. Crepes reported that equity was 24.05% at the end of February for an increase of 0.09%. Mrs. Crepes discussed the 2024 Capital Credit Statistics. She stated that active member accounts received the credit with their March billing, and the checks for inactive accounts will be mailed on April 2, 2024. The deferred credits account balance changed by (\$695,891) and the ending balance was \$4,268,484.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,796 kWh in February. Mid-Carolina's average bill was \$207.53 (account charge \$29.45) compared to Dominion's \$249.57 (account charge \$9.50), Duke – Carolina's \$243.72 (account charge \$11.96), and Duke – Progress \$256.81 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 16,638 kWh. Mid-Carolina's average annualized bill was \$1,952.47 (account charge \$346.75) compared to Dominion's \$2,393.14 (account charge \$114.00), Duke – Carolina's \$2,178.81 (account charge \$143.52), and Duke – Progress \$2,401.17 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina received \$839,460 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 the locations and the service district that the Mid-Carolina and Contractor crews worked in February. The right-of-way crews are still working in the Gilbert and Leesville areas. Mr. Wilbur stated the System Inspectors are still working in the Friarsgate area. He reported that Tomberlin Pole crews are still inspecting and treating poles in the Pelion area. There were 1,971 poles inspected during the month of February. Mr. Wilbur discussed the recent issue with bird houses being attached to the Cooperative's poles, and they have all been removed. He reported on how well the Mid-Carolina team did at the recent Linemen's Rodeo held on March 16, 2024. 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 February. He stated that the final set of transformer delays were upgraded in the South Congaree Substation. Mr. Paulling discussed the status of the fiber construction in subdivisions.

Mr. Paulling then showed a chart graphing MWh purchased each month year-to-date from 2020-2024 with a five-year running average. The next chart showed the MW Demand purchased each month year-to-date from 2020-2024 with a five-year running average. The monthly outage report and notes for February 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 stated that the Cooperative's Annual Sporting Clays Fundraise went well, and the money raised will be donated to the Augusta Burn Center. He reported on several events the Cooperative sponsored in the community during the month. Mr. Simpson discussed the Cooperative's Brand Identity on Social Media and reviewed the quarterly schedule for the *South Carolina Living* magazine through the June 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 40,208 accounts enrolled in SmartHub as of March 1, 2024, which represents 67.22% of active accounts enrolled. He stated that 85.4% of all February payment transactions were made electronically.

Mr. Davidson reported there were 32,559 emails received during the month, and 7,351 emails were blocked prior to reaching the Cooperative's email servers. Mr. Davidson stated in February, 1,128 members enrolled in TextPower, bringing the enrollment total to 37,234. He then 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. There were 13 applications approved out of 15 at the February meeting for a total donation of \$26,989. The Trust Fund balance at the end of the month was \$25,564. The Board calendars were reviewed through June 2024. The May 22, 2024 Board Meeting was changed to May 29, 2024. 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 February. He reported that the Community Relations Specialist and the Communications Specialist started on March 5, 2024, and the new Database/Linux System Administrator started on March 11, 2024. There is currently active recruitment for a part-time Administrative Assistant, a Custodian, Crew Leader – Apparatus, and a Finance & Accounting Manager.

Mr. Paulling made a recommendation to Service Rules and Regulations – Net Metering Rider for Residential and Small Commercial Rates. He explained the rider and made a recommendation to extend the Term of Rider to December 31, 2028. After a discussion, Mr. Bedenbaugh made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Lunsford and unanimously passed.

See Resolution # 2

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 discussed the need to elect officers at the April Board Meeting. Upon Mr. Shealy’s retirement, the Board needs to appoint someone to fill his seat on the ECSC Trustee Association Committee. Ms. Kirkland made a motion to appoint Mr. Alan Lunsford to serve on the ECSC Trustee Association Committee. The motion was seconded by Mr. Watts and unanimously passed. He had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that the Board received Board Policy 117 – CEO Succession Plan with recommended changes from Mr. Black. After a discussion, Mr. Lindler made a motion to approve the recommendations, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 3

There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect’s Board met just before this meeting today. They now have almost 36,000 customers with Mid-Carolina members with CarolinaConnect totaling over 18,400.

Mr. Risinger reported that Central’s Annual Meeting was held on March 13, 2024, and it was a good meeting. He stated that Mr. Bedenbaugh and Mr. Best attended the meeting as well.

Ms. Kirkland reported that CEEUS and ECSC will meet on April 4, 2024. There has been a discussion at Statewide about building a new training facility in Sandy Run near Exit 119 off I-26.

Chairman Sox reported that replacement costs and wildfires are up for Federated, which has resulted in an overall increase in premiums for everyone.

There were no other reports at this time.

AGENDA ITEM # 10

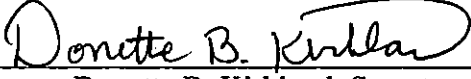
NEW BUSINESS: Chairman Sox recognized Mr. Shealy in his retirement from the Board and thanked him for his years of service. Mr. Paulling read a plaque of recognition from the Board of Trustees for his years of dedication as a Board Trustee from 1991-2024. Everyone gave Mr. Shealy a warm round of applause. There was no new business to come before the meeting at this time. Mr. Bedenbaugh made a motion to enter executive session. The motion was seconded by Mr. Lunsford 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 4:50 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 February 28, 2024; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the February 28, 2024, 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 26th day of March 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, Mr. Paulling made a recommended change to Service Rules and Regulations – Net Metering Rider for Residential and Small Commercial Rates; and

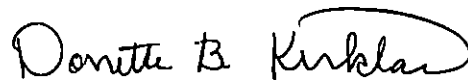
WHEREAS, the recommendation is to extend the date on the Term of Rider; and

WHEREAS, the new Term of Rider will be extended through December 31, 2028; and

WHEREAS, after a discussion, the Board agreed with the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended changes to Service Rules and Regulations – Net Metering Rider for Residential and Small Commercial Rates extending the term of the rider to December 31, 2028.

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 February 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

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

**NET METERING RIDER FOR
RESIDENTIAL AND SMALL COMMERCIAL RATES**

Availability

This rider is available in conjunction with the Cooperative's Rate Schedule D and Schedule C. All members who own and operate a solar photovoltaic, wind-powered, biomass-fueled, or micro-hydro generating system, located and used at the member's primary legal residence or business where a part or all of the electrical requirements of the member can be supplied from the member's generating system can receive service under this rider.

The rated capacity of the member's generating system shall not exceed the lesser of (a) the member's estimated maximum kilowatt demand or (b) 20 kilowatts for a residential system or 100 kilowatts for a nonresidential system.

The member's generating system as referenced above must be manufactured, installed and operated in accordance with governmental and industry standards, and must fully conform with the Cooperative's Interconnection Standard. The member must execute an Interconnection Agreement prior to receiving service under this rider.

This rider is available on a first come, first serve basis, except that the total capacity of all retail member generating systems under this rider shall not exceed 2.0% of the Cooperative's hourly integrated peak load, as measured at its distribution substations, for the prior calendar year.

If the member's proposed installation results in exceeding this limit, the member will be notified that service under this rider is not allowed.

Rate per Billing Period

The applicable rate per billing period shall be from the appropriate rate schedule as referenced in the Availability section above. The monthly bill shall be determined as follows:

1. The Account Charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
2. The Peak Charge shall be calculated based on the net total kWh hours delivered and received during the Peak time periods as defined in the base rate schedule. The Peak Charge will be calculated as follows:

$$\text{Peak Charge} = \text{Net Peak Period kWh} * \$0.3440$$

3. Energy and Peak charges (or credits) shall be based on the rates in the applicable rate schedules as described in the Availability section above. For purposes of calculating billing period Energy and Peak charges, member's usage shall be reduced by the total of (a) any excess Energy and Peak kWh's delivered to the Cooperative in the current billing period minus (b) any accumulated excess Energy and Peak credit balance remaining from prior billing periods. Total Energy and Peak charges billed to members shall never be less than zero. For any billing month during which excess Energy and Peak usage exceeds the member's usage in total, producing a net credit, the respective Energy and Peak charges for the billing period shall be zero. Credits shall not offset the Account Charge for the applicable rate schedule.

4. Excess dollar credit for energy not used in the current billing month to reduce billed usage shall be accumulated and used to reduce billing for usage in future months.
5. Credits remaining at the time the member terminates the account shall be forfeited to the Cooperative.

Minimum Charge

The minimum charge per billing cycle under this schedule for single phase service shall be the Account Charge. The minimum charge per billing cycle for three phase service under this schedule shall be the Account Charge plus \$1.00 per kVA of required transformer capacity. Energy and Peak Charge credits shall not reduce this Minimum Charge.

General Provisions

1. Renewable energy generators will retain ownership of Renewable Energy Credits (RECs) until a market for RECs is fully developed as reasonably determined by the Cooperative. After a market for RECs is fully developed, then, annually, any RECs associated with net excess generation shall be granted to the Cooperative when the net excess generation balance is set to zero.

Term of Rider

~~This Rider shall be available for new connections through January 1, 2024. All accounts receiving service under this rider shall have the right to remain on this Rider through December 31, 2025.~~

General Terms and Conditions

The Cooperative's General Terms and Conditions are incorporated by reference and part of this rider. By signing below, I agree to and accept the terms and conditions as stated.

Member Signature

Date

Account #

CIN

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

WHEREAS, Ms. Kirkland presented Board Policy 117 – CEO Succession Plan; and

WHEREAS, Mr. Black had made recommended changes to the policy to eliminate the need for a Board Committee to be appointed to oversee the CEO search process; and

WHEREAS, the Board of Trustees as a group will participate when there is a need to find a new CEO; and

WHEREAS, after a discussion, the Board agreed with the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended changes to Board Policy 117 – CEO Succession Plan for the full Board of Trustees to participate in the CEO selection process.

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 March 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES POLICY 117**

SUBJECT: PRESIDENT/CEO SUCCESSION PLAN

I. OBJECTIVE

Each July Board of Trustees meeting, the President/CEO will inform the Board of Trustees (the "Board") as to which members of the Mid-Carolina Electric Cooperative Management Team ("MCEC Management Team"), in ranking order, could be named as Acting President/CEO if the need arose. Additionally, the President/CEO shall communicate to the Board of Trustees any foreseen changes to the MCEC Management Team and/or organizational structure changes for the upcoming year. Reports will be made to the Board as necessary.

II. POLICY CONTENT

1. Acting President/CEO - The following will occur when it is necessary for an Acting President/CEO to be named:

a. ~~The President/CEO shall name an Acting President/CEO when he is going to be away from the office for more than two continuous weeks. The President/CEO shall inform the Chairman of the Board and the employees of his/her appointment of the Acting President/CEO.~~
appointment.

b. ~~In the event that the President/CEO is incapacitated or unavailable to name an Acting President/CEO, the first available top-ranked MCEC Management Team member would~~
must immediately confer with MCEC's Management Team, and then contact the Chairman of the Board, and the Board to name the Acting President/CEO. The Board must approve this action if the Acting President/CEO is required to be in the position for more than two weeks.

c. ~~The Executive Committee shall name the Acting President/CEO in the event that action is taken to terminate the President/CEO immediately. The Board must act to ratify the Executive Committee's actions no later than the next regular Board meeting.~~

2. Planned Retirement or Termination

a. ~~Whether due to a President/CEO's announced retirement or termination, the Chairman of the Board shall name a Succession Committee to seek a replacement. The Chairman of the Board will chair the replacement process, will chair the Committee, which shall be comprised of at least three additional Mid-Carolina Electric trustees. The Board Committee may seek the services of an outside placement service, NRECA, or other affiliates to assist in its work (the "facilitator").~~

b. ~~The Board Committee is charged with the responsibility of narrowing the applicant field to not less than two or but not more than five President/CEO Candidates. The President/CEO Candidates, who will then be invited to address the Board at a time and place designated by the Chairman of the Board. Following the opportunity to meet the President/CEO Candidates,~~

the Board shall adjourn to Executive Session with ~~the Committee and the~~ facilitator, if used, to address questions. The Board shall authorize the Chairman of the Board to extend an offer to the President/CEO Candidate of its the Board's choice.

III. RESPONSIBILITY

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

MCEC: BD – 117 Approved: November 29, 2018 Reviewed: December 20, 2021