

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

**LEXINGTON, SOUTH CAROLINA**

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

**February 22, 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  
Lee H. Ayers, VP, Engineering  
Troy A. Simpson, VP, Member Services  
Steven Davidson, VP, Information Technology  
Vicki E. Ross-Bell, Administrative Services Manager

**ATTORNEY PRESENT:** J. David Black

**INVOCATION:** Allan Risinger

**PLEDGE OF ALLEGIANCE**

**AGENDA ITEM # 2**

**APPROVAL OF MINUTES:** Chairman Sox called the meeting to order and welcomed Mr. Terry McMichael and Ms. Peggy Dantzler to the meeting. He then asked if there were any corrections, additions or deletions to the minutes of the last monthly meeting held on January 25, 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. Lindler 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**

**2022 AUDIT REPORT:** Chairman Sox called on Mr. Risinger for the Audit Committee Report. The Audit Committee, which consists of Mr. Risinger, Mr. Shealy, Mr. Best, Mr. Sox, Mr. Paulling and Mrs. Crepes, met prior to this meeting, and they reviewed the Cooperative's 2022 Audit Report with Mr. Terry McMichael. Mr. Risinger called on Mr. McMichael for his presentation. Mr. McMichael stated that the Cooperative's financial statements fairly presented its financial position, as of December 31, 2022, 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 to 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, 2022, was in agreement with the Cooperative's audited records.

Mr. Risinger thanked Mrs. Crepes and her staff for all of the work that went into providing the documentation needed for the Audit Report. The Audit Committee reports that it is a good Audit Report, and Chairman Sox stated the report was received as information.

### **AGENDA ITEM # 5**

**MUTUAL AID DISCUSSION:** Chairman Sox called on Ms. Peggy Dantzler, Vice President, Loss Control and Training for the Electric Cooperatives of South Carolina. Ms. Dantzler gave a detailed presentation on the process of how Statewide provides Mutual Aid during extreme weather conditions across the state of South Carolina. She explained how Cooperatives are assigned to give and receive outage restoration assistance. Ms. Dantzler answered questions throughout her presentation. There were no further questions or comments, and Chairman Sox thanked Ms. Dantzler for her 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 \$11,753,239, which is - \$1,486,771 below budget at the end of January. The year-to-date cost of wholesale power was \$6,641,590, which is under budget by -\$1,533,631. The year-to-date margins were \$1,080,321, which is \$97,981 above budget. Mrs. Crepes reported that equity was 25.10% at the end of January for an increase of 0.18%. The deferred credits account balance changed by \$67,461, and the ending balance was \$2,754,870.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,999 kWh in January. Mid-Carolina's average bill was \$253.35 (account charge \$29.45) compared to Dominion's \$249.14 (account charge \$9.50), Duke – Carolina's \$256.95 (account charge \$11.96), and Duke – Progress \$243.79 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 18,417 kWh. Mid-Carolina's average annualized bill was \$2,149.57 (account charge \$346.75) compared to Dominion's \$2,346.59 (account charge \$114.00), Duke – Carolina's \$2,244.85 (account charge \$143.52), and Duke – Progress \$2,241.79 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$283,981 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 January. The right-of-way crews have completed their work in the Lake Murray and Woodland Hills areas. They are still working in the Old Chapin and Edmund area and will start in the Barr area soon. There were 101 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the New Chapin area. He gave an update on the SCDOT and County projects. Mr. Wilbur discussed several other 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 January. He stated the transformer protection relays in the Lake Murray Substation were upgraded. The station batteries were upgraded/replaced in New Chapin, Hollywood, Leesville, South Congaree, Owens and Springhill. This brings all substations up to present Mid-Carolina standards for battery type and size. 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 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 January were reviewed. 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 discussed the recent and upcoming ways the Cooperative is connecting with the community. He then reminded everyone that the Touchstone Energy Scholarship applications will be available until March 3, 2023. Mr. Simpson gave a report on the Cooperative's social media engagement. The quarterly schedule for the *South Carolina Living* magazine was presented through the May 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. Davidson for the Information Technology report. Mr. Davidson reported there were 37,994 accounts enrolled in SmartHub as of February 1, 2023, which represents 63.9% of active accounts enrolled. He discussed the number of emails that the Cooperative received during the month of January, as well as how many emails were blocked. Mr. Davidson reported on upcoming projects, 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. In January, the Trust Board did not have a meeting, and they doubled the Christian Ministries for a total distribution of \$13,031. The Trust Fund balance at the end of the month was \$38,074.

Mrs. Ross-Bell then discussed the Board calendars through May 2023. Mr. Shealy made a motion for Mr. Paulling and Mr. Sox to attend the NRECA Legislative Conference April 16-18, 2023. The motion was seconded by Ms. Kirkland and unanimously passed. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

#### **AGENDA ITEM # 7**

**PRESIDENT'S REPORT:** Chairman Sox called on Mr. Paulling for his report. Mr. Paulling reported there were no recordable accidents in January. He reported that there is active recruitment for the Communications Manager position.

Mr. Paulling discussed the Cooperative's upcoming Annual Meeting. There will be registration and voting on Saturday, April 15, 2023, at Beechwood Middle School and Chapin Middle School from 7:00 a.m. to 7:00 p.m. The Business Meeting will be held at the Lexington One Performing Arts Center on Friday, April 21, 2023, at 7:30 p.m. with registration and voting opening at 5:30 p.m.

Mr. Lunsford made a motion to go into executive session. The motion was seconded by Mr. Watts. Mr. Lunsford made a motion to come out of executive session and reconvene. The motion was seconded by Ms. Kirkland. During the executive session, Mr. Paulling gave a Central update. There was no action taken. Mr. Paulling presented NRECA Gold Certificate renewals to Mr. Sox and Mr. Risinger. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

#### **AGENDA ITEM # 8**

**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 # 9**

**CHAIRMAN'S REPORT:** Chairman Sox read several thank you notes, and he had nothing further to report at this time.

**AGENDA ITEM # 10**

**COMMITTEE REPORTS:** Chairman Sox stated that the Audit Committee report was given earlier in the meeting. Mr. Risinger thanked Mrs. Crepes and her team for their work done on the Audit. There were no other committee reports to come before the Board at this time.

**AGENDA ITEM # 11**

**ASSOCIATED MEETING REPORTS:** Chairman Sox stated that CarolinaConnect's Board meeting will be held on February 28, 2023.

Ms. Kirkland reported that everything is going well with CEEUS and their new building. She stated that the *South Carolina Living* magazine sold more ads in 2022 than expected.

Mr. Shealy reported that the ECSC Trustee Association met on January 27, 2023, to finalize the upcoming ECSC Trustee Association meeting in May 2023.

Chairman Sox stated that he recently attended the Federated quarterly meeting, and they are doing well. He reported that line contacts continue on the rise.

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

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. A motion was made by Mr. Shealy to enter into executive session. The motion was seconded by Mr. Watts and unanimously passed.

**AGENDA ITEM # 13**

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

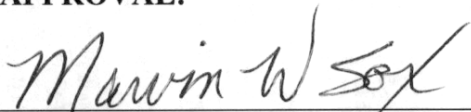
**AGENDA ITEM # 14**

**ADJOURNMENT:** There was no further business, and the meeting was adjourned at 4:30 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 25, 2023; and

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the January 25, 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 22<sup>nd</sup> day of February 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary