

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

August 28, 2024

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 (via Zoom)
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: J. David Black

INVOCATION: Donette Kirkland

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 July 24, 2024. Mr. Lindler 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

FORM 990 REVIEW: Mr. Bedenbaugh made a motion to go into executive session to review the Cooperative's Form 990 with Mr. Terry McMichael. The motion was seconded by Mr. Lunsford and unanimously passed. Chairman Sox called on Mr. Terry McMichael, CPA, who was on a Zoom call. Mr. McMichael reviewed the Cooperative's 2023 Form 990. After the review and discussion, Chairman Sox thanked Mr. McMichael for his report. Mr. Bedenbaugh made a motion to come out of executive session. The motion was seconded by Mr. Lunsford and unanimously passed.

AGENDA ITEM # 5

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 \$92,470,168, which is (\$1,521,018) below budget at the end of July. The year-to-date cost of wholesale power was \$51,363,008, which is under budget by (\$1,301,767). The year-to-date margins were \$5,532,625, which is \$134,644 above budget. Mrs. Crepes reported that equity was 23.13% at the end of July for a decrease of -0.26%. The deferred credits account balance changed by \$967,570, and the ending balance was \$4,682,043.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,843 kWh in July. Mid-Carolina's average bill was \$191.93 (account charge \$28.50) compared to Dominion's \$247.39 (account charge \$9.50), Duke – Carolina's \$256.02 (account charge \$11.96), and Duke – Progress \$270.25 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 17,904 kWh. Mid-Carolina's average annualized bill was \$2,033.17 (account charge \$346.75) compared to Dominion's \$2,535.04 (account charge \$114.00), Duke – Carolina's \$2,414.41 (account charge \$143.52), and Duke – Progress \$2,619.10 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$3,122,330 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 July. The right-of-way crews are still working in the Gilbert, South Congaree and Leesville areas. Mr. Wilbur stated the System Inspectors have finished working in the Irmo area, and they are now working in the Woodland Hills area. He reported there have been 917 permanent applications, 229 temporary applications and 1,274 work orders staked year-to-date. 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 in July. He stated that all permitting for Lake Murray substation upgrades have been issued. The design and drawings are being finalized along with the equipment order. Mr. Ayers discussed the status of the fiber construction in subdivisions.

Mr. Ayers 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 July 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 introduced Mrs. Katrina Goggins, Communications Manager, to make a presentation. Mrs. Goggins reported on the communication plan of the rising costs of wholesale power for the Cooperative and how that will affect the member's bills effective January 1, 2025. Her presentation gave a detailed timeline of articles that will be in the upcoming months of the *South Carolina Living*, as well as a presentation that will be made to the Member Advisory Committee meeting in October. There were no further questions or comments, and Chairman Sox thanked Mrs. Goggins for her report.

INFORMATION TECHNOLOGY: Chairman Sox called on Mr. Davidson for the Information Technology report. Mr. Davidson reported there were 41,250 accounts enrolled in SmartHub as of August 1, 2024, which represents 68.26% of active accounts enrolled. He stated that 84.67% of all July payment transactions were made electronically. Mr. Davidson reported that an additional 555 members enrolled in TextPower this month, bringing the enrollment total to 42,358. He stated there are now 3,020 members enrolled in Pay-As-You-Go, and 208 payments were made through the new InComm system in July.

Mr. Davidson reported there were 28,745 emails received during the month, and 7,640 emails were blocked prior to reaching the Cooperative's email servers. 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 was no Trust Board meeting scheduled for July; however, the donations to the five Christian Ministries were doubled for a total of \$13,367. The Trust Fund balance at the end of the month was \$51,526. Mrs. Ross-Bell discussed the breakdown of Operation Round Up donations by expenses year-to-date. She reviewed the Board calendars through October 2024. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 6

CEO'S REPORT: Chairman Sox called on Mr. Paulling for his report. Mr. Paulling reported there were three recordable accidents in July, and there was one in April that was determined to be recordable. There were two new hires on August 5, 2024, one Line Technician and one Apparatus Technician. Currently, there is active recruitment for a Member Services Representative and a Fleet Technician.

Mr. Paulling presented a recommendation to the Service Rules and Regulations manual. He stated that SRR 111 – Reasons for Denial or Disconnection of Service needs to be updated to say that services are disconnected “during normal office hours”. After a discussion, Mr. Lindler made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 2

Mr. Paulling gave a Central and Santee Cooper update. He then discussed the Cooperative's rates. Mr. Paulling stated that he will present a recommendation to the Board at the September Board Meeting. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

AGENDA ITEM # 7

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 # 8

CHAIRMAN'S REPORT: Chairman Sox read a thank you note. He then stated that the Board needed to select a Voting Delegate and Alternate for the NRECA Regional Meeting that will be held in Columbia, SC October 7-9, 2024. Mr. Bedenbaugh made a motion for Ms. Donette B. Kirkland to serve as the Voting Delegate and Mr. Lunsford to serve as the Alternate. The motion was seconded by Mr. Watts and unanimously passed.

See Resolution # 3

He had nothing further to report at this time.

AGENDA ITEM # 9

COMMITTEE REPORTS: Chairman Sox stated that the Compensation Committee met just prior to this meeting, and there will be a report in executive session.

Chairman Sox called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that the Board received Board Policy 300 – Disposal of Equipment and Materials with a recommendation to clarify that all other used poles will be disposed of in the most economical way for the Cooperative. An additional recommendation also stated that all recipients of poles must sign a release form. Mr. Lindler made a motion to approve the recommended changes, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 4

The Board also received Board Policy 301 – Capital Credits for their review. There were no recommended changes to this policy, and it will reflect that it was reviewed today. There were no other committee reports at this time.

AGENDA ITEM # 10

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect’s Board Meeting was held yesterday. CarolinaConnect now has over 39,000 customers with Mid-Carolina having almost 20,000 members with the internet service.

Mr. Risinger had nothing further to report on Central at this time.

Ms. Kirkland reported that CEEUS is scheduled to move into their new facility in September and there will be an open house held in November. She reported that Statewide is currently having budget meetings.

Mr. Lunsford reported that the Trustee Association Committee will meet on October 25, 2024.

Chairman Sox reported that Federated is doing well. The claims are down but the costs associated with the claim filed have increased. Line contacts continue to be on the rise with three recent contacts made in South Carolina. Chairman Sox stated that his last Board Meeting before his term expires will be June 2025.

There were no other reports at this time.

AGENDA ITEM # 11

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 executive session. The motion was seconded by Ms. Kirkland and unanimously passed.

AGENDA ITEM # 12

EXECUTIVE SESSION: During executive session, the Board conducted the annual review of the CEO. The Board unanimously approved an appropriate salary increase, as recommended by the Compensation Committee.

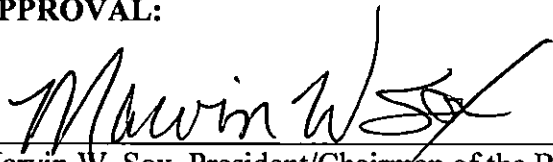
AGENDA ITEM # 13

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:55 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

**S.C. 37 LEXINGTON
MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

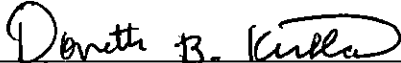
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on July 24, 2024; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the July 24, 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 28th day of August 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

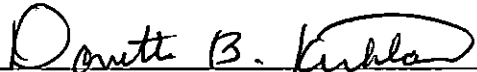
2

WHEREAS, Mr. Paulling presented a recommended change to Services Rules and Regulations – SRR 111 – Reasons for Denial or Disconnection of Service; and

WHEREAS, the policy needs to be updated to say that services are disconnected “during normal office hours”;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended change for SRR 111 – Reasons for Denial or Disconnection of Service indicating that services are disconnected during normal business hours. 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 28th day of August 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

SERVICE RULES AND REGULATIONS

100 ELECTRIC SERVICE AVAILABILITY

111 REASONS FOR DENIAL OR DISCONNECTION OF SERVICE

The Cooperative reserves the right to:

- I. Refuse service for the following reasons:
 - A. An applicant who, at the time of application, is indebted to the Cooperative under an undisputed bill for previous service furnished to the applicant or any member of their household, until such indebtedness has been satisfied.
 - B. Failure to provide the Cooperative with necessary building or mobile home permits in addition to any other required permits or releases, or in the event such are rescinded or withdrawn.
 - C. Failure to pay in advance any amount in aid of construction as required by these service rules and regulations.
- II. Disconnect service without notice for the following reasons:
 - A. Discovery of a condition determined by the Cooperative to be hazardous, dangerous, or unlawful.
 - B. Discovery of tampering that results in diversion of electric current.
 - C. Discovery of conditions that would adversely affect the Cooperative's service to others.
 - D. Discovery of an unauthorized connection or use of service or facilities.
 - E. Misrepresentation of member's identity.
- III. Disconnect service with notice for the following reasons:
 - A. For violation or non-compliance with any applicable governmental law or code.
 - B. For non-compliance with the bylaws or service rules and regulations of the Cooperative.
 - C. Failure of the member to permit the Cooperative reasonable access to their equipment.
 - D. Failure of the member to provide the Cooperative with a deposit that may be required.
 - E. Non-payment of bills in accordance with delinquent cut-off notices. Such notices are mailed at least ten (10) days prior to scheduled disconnect in order to give the member the opportunity to satisfy his indebtedness. Services are disconnected during normal office hours, Monday through Friday between 8:00 a.m. and 5:00 p.m.

Reference Appendix Section for appropriate service charges.

All Service Rules and Regulations approved by the Board as a package on August 4, 2010 effective September 1, 2010.

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

WHEREAS, the Board of Trustees is responsible for selecting a voting delegate and alternate for the 2024 NRECA Regional Meeting; and

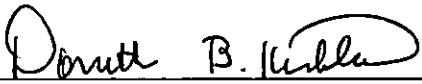
WHEREAS, the Board of Trustees desires to appoint the within named persons as voting delegate and alternate to the aforesaid meetings;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints voting delegate and alternate for the 2024 NRECA Regional Meeting as follows:

NRECA Regional Meeting

Voting Delegate	Ms. Donette B. Kirkland
Alternate	Mr. Alan R. Lunsford

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 August 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

4


WHEREAS, the Policy Committee made a recommended change for Board Policy 300 – Disposal of Equipment and Materials; and

WHEREAS, the recommendation was to clarify that all other used poles will be disposed of in the most economical way for the Cooperative; and

WHEREAS, the additional recommendation was that all recipients of poles must sign a release form;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of approves the recommended changes to the Board Policy 300 – Disposal of Equipment and Materials for used poles to be disposed of in the most economical way and recipients must sign a release form. 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 28th day of August 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES POLICY 300**

SUBJECT: DISPOSAL OF EQUIPMENT AND MATERIALS

I. OBJECTIVE

To provide a procedure to sell or dispose of any equipment no longer needed by the Cooperative.

II. POLICY CONTENT

A. Materials and equipment no longer needed because of purchase of new equipment.

At the time of purchase of new equipment to replace old equipment a determination will be made if it is in the Cooperative's best interest to purchase with or without trade-in.

B. Disposal of materials or equipment no longer needed by the Cooperative

1. Unique or special equipment will be sold by securing the best price possible from other cooperatives, utilities, contractors, vendors, or appropriate parties, etc.
2. Materials or equipment can be donated to charitable organizations as determined by the Board or CEO.
3. If the material or equipment is found to be hazardous, unsafe, presents a liability risk, or if the sale is not economically sound, the equipment will be disposed of properly.

C. Disposal of Used Poles

1. If a utility pole is not suitable for continued use by the Cooperative and is removed from service, the property owner may request the pole be left for his or her use. The property owner must sign the "Acknowledgement and Release from Landowner" form.
2. All other used poles ~~will be brought back to the headquarters facility in Lexington. The poles will be disposed of in the most economical way for the Cooperative. Recipients of poles must sign a release form.~~
3. At the discretion of the CEO, old utility poles may be donated to civic organizations, government agencies or churches, within the service area of the Cooperative. Recipients of poles must sign a release form.

III. RESPONSIBILITY

The CEO is responsible for the administration of this Policy.