

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

ANNUAL MEETING OF MEMBERS

April 13, 2024

The 2024 Annual Business Meeting of the members of Mid-Carolina Electric Cooperative, Inc. was held at Lexington One Performing Arts Center at Gilbert High School in Lexington County, South Carolina on April 13, 2024. The Annual Business Meeting was called to order and declared to be open and on live stream at 7:30 p.m. by the Chairman of the Board, Mr. Marvin W. Sox. In addition to Chairman Sox, the Cooperative's CEO, Mr. B. Robert Paulling, and the other eight Board Members were present, as follows: Vice Chairman, Clifford B. Shealy; Secretary, Ms. Donette B. Kirkland; Treasurer, Mr. J. Allan Risinger, Mr. J. Carey Bedenbaugh, Mr. Eddie C. Best, Mr. Kenneth E. Lindler, and Mr. Alan R. Lunsford.

Chairman Sox appointed Mr. David Black, the Cooperative's General Counsel, as Parliamentarian. The invocation was given by Pastor Larry Pitts with Providence Baptist Church in Leesville, SC. Chairman Sox thanked Pastor Pitts for the invocation. He then led the Pledge of Allegiance, and the National Anthem followed.

Chairman Sox reported that the Cooperative's Bylaws require that a quorum for the annual meeting is established when at least 5% of the members have registered. The minimum number required for a quorum for this Annual Meeting was 2,500 members. The Cooperative held registration and voting earlier today, Saturday, April 13th at Beechwood Middle School and Chapin Middle School. The Secretary of the Board signed a certification that 5,601 members registered for this meeting. That number is substantially higher than the number required for a quorum.

The next item of business was the reading of the Official Notice of this Meeting and the proof of mailing of that notice to the members. Chairman Sox reported that an Official Notice of this Annual Meeting had been mailed to each of the 49,995 members of the Cooperative. As required by the Bylaws, the Official Notice states the place, date and hour of the meeting, and the purpose for which the meeting was being held. Once again, the registration cards were attached to the March issue of the *South Carolina Living* magazine. The Secretary of the Cooperative had furnished proof of the actual mailing of the Official Notice which consisted of a notarized certification stating that on March 11, 2024, the Official Notice was given by depositing in the United States mail on that day with postage prepaid. An Official Notice of this 2024 Annual Meeting was addressed to each member of the Cooperative. The appropriate receipts from the mailing service and the US Postal Service are attached to the certification.

Chairman Sox next commented that the Board of Trustees has a direct responsibility to each member for the proper management and operation of the Cooperative. He commended the Board of Trustees for the excellent job they have done over the years. Chairman Sox then introduced the members of the Cooperative's Board of Trustees:

- Chairman from District 5 – Mr. Marvin W. Sox (Oak Grove area)
- Secretary from District 8 – Ms. Donette B. Kirkland (West Columbia)
- Treasurer from District 2 – Mr. J. Allan Risinger (Batesburg-Leesville area)
- District 1 – Mr. J. Carey Bedenbaugh (Saluda/Hollywood area)

- District 3 – Mr. Eddie C. Best (Irmo area)
- District 6 – Mr. Kenneth E. Lindler (Chapin/Little Mountain area)
- District 7 – Mr. Alan R. Lunsford (Irmo/Spring Hill area)
- District 9 – Mr. Justin B. Watts (Gilbert area) *he could not attend*
- Vice-Chairman from District 4 – Mr. Clifford B. Shealy (Hollow Creek area) – Chairman Sox stated that Mr. Shealy was retiring from the Board, and he thanked him for his many years of service.

There was a round of applause for the Board of Trustees.

The presentation of information and reports was the next item of business. Chairman Sox reported that the Cooperative's financials for the year ending December 31, 2023 were audited by the accounting firm of McNair, McLemore, Middlebrooks & Company, LLP. The Cooperative received a clean unmodified opinion. The Audit Report was presented in detail to the Board at the February 28, 2024, meeting. The Annual Report is on the website under the About Tab on the home page. Chairman Sox stated that anyone who wishes to receive a printed copy of the report can contact the Cooperative.

Chairman Sox next called on Chief Executive Officer, Mr. Bob Paulling for his personal report. Mr. Paulling first welcomed the members and thanked them for attending this Annual Meeting. He stated that in 1994, the Cooperative started the Operation Round-Up program, and currently, approximately 90% of the membership contributes to the program by rounding up their electric bill to the next whole dollar, which averages about \$0.45 per month. In 2023, donations totaled over \$329,000 helping nearly 120 families directly and hundreds more each month through the community outreach organizations that the Trust supports. The Trust Board has partnered with 76 local schools through the Snack Pack and Back Pack programs, so kids will have food at home on the weekends. The total donation now exceeds \$6.9 million since Operation Round-Up began in 1994.

Mid-Carolina would like to show our appreciation to the nine volunteer Board Members who meet to administer the program.

- Mr. Stan Shealy, Chairman – Chapin
- Reverend Rus Stilwell, Vice Chairman – Lexington
- Mr. John Beerman – West Columbia
- Mrs. Virginia Bishop – Lexington
- Mr. Greg Black – Irmo
- Mr. Frank Capobianco – Lexington
- Mr. Doug Martin - Irmo
- Mrs. Daphyne Ridgell - Batesburg
- Mr. Gerry Spragg - Batesburg

Mr. Paulling thanked them for their volunteer service of meeting regularly to go over the detailed applications and make sure the funds are administered in a responsible manner.

Mr. Paulling reported that in 1964, President Lyndon Johnson created the Washington Youth Rally. Since that time, over 55,000 students from rural areas and small towns across America have participated in this unique program. They have walked away from this experience as better leaders, better citizens, and with a renewed pride in our country, knowing that they can make a difference. This summer, approximately 1,600 students from 47 states will spend a week experiencing the excitement of Washington, DC and become more informed about the electric cooperative program. I am proud to recognize the delegates that will be representing Mid-Carolina Electric Cooperative.

- Katherine Pinkney – Dutch Fork High School
- Langston Barilla – Spring Hill High School
- Owen Roddy – Spring Hill High School (2023 Youth Summit Alum)

Congratulations on this honor.

The Cooperative Youth Summit, is the SC version of the Youth Tour being held this summer. I would like to recognize the delegates that will be representing Mid-Carolina Electric Cooperative.

- Taryn Smoak, Lexington High School
- Emily Seung-joo You, River Bluff High School
- Aroosh Qazi, River Bluff High School

Congratulations on this honor.

In 2014, South Carolina's electric cooperatives assumed the primary sponsorship of the North-South All-Star Football game played each December and renamed it the Touchstone Energy Bowl. The game began in 1947 to highlight the best high school football players in South Carolina. Each spring, the High School Football Coaches Association selects the head coaches for each team. Every October, a committee of high school coaches select 88 seniors from all regions of the state to participate in the game. Mid-Carolina Electric Cooperative was proud to have 13 players from our service area, as follows:

South

- Jaden Allen-Hendrix, running back, Irmo High School
- Drake Braddock, quarterback, Gilbert High School
- Chase Cline, kicker, Chapin High School
- Austin Cunningham, wide receiver, White Knoll High School
- Dakota Jordan, defensive lineman, Dutch Fork High School
- Isaiah McClary, defensive back, Irmo High School
- Christian Sexton, linebacker, Lexington High School
- Kamden Sox, offensive lineman, Brookland-Cayce High School
- Terrance Wells, defensive lineman, Dutch Fork High School

North

- Dylan Barbrey, offensive lineman, Airport High School
- Kenmane Brunson, running back, Saluda High School
- Zai Offord, defensive back, Gray Collegiate
- J.T. Sowell, offensive lineman, Gray Collegiate

Congratulations to these athletes for their achievement.

Mr. Paulling reported there were 49 worthy applications for the seven Touchstone Energy scholarships in the amount for \$4,000 each. These scholarships are given annually to outstanding high school seniors who plan to continue their formal education after their high school graduation. Over the past 35 years, Mid Carolina Electric Cooperative has provided over \$280,000 in scholarships to area high school seniors. These applications are currently being reviewed by the judges, and the top seven will be notified in the first week in May.

Mr. Paulling explained the Cooperative's Bright Ideas Program. Years ago, teacher's funding for classrooms started dwindling. The Cooperatives came up with an idea to help the teachers, who can apply for a grant to purchase a learning tool for their classroom. There were 50 applications in 2023, and the Cooperative awarded \$19,648 to the 22 winners listed below:

2023 MCEC Bright Ideas Grant Winners:

- Laura Bishop, Batesburg-Leesville Middle School, Growing Future Innovators with STEM
- Katie Plunkett, Ben Lippen School (St. Andrews), All the Ways to Grow
- Lisa Fisher, Busbee Creative Arts Academy, Project Greenhouse
- Brooke Hiatt, Cayce Elementary, Growing Leaders
- Michelle Fuller, Centerville Elementary School, Dining into the Deep: The Art of Bioluminescence
- Robert Schiferl, Chapin High School, Laser Cutting Fins for Model Rockets
- Margaret Nickerson, Chapin Elementary Eaglets, Take a "Closer Look" at Our World!
- Amy Umberger, Dutch Fork Elementary School Academy of Environmental Sciences, Crumbs to Compost
- Madelyn McEllen, Forts Pond Elementary, Ms. McEllen's Living Classroom
- Jessica Handy, Gilbert Middle School, Globalization through the Global Sneaker
- Patty Manning, Harbison West Elementary School, Math by the Book
- Kimberly Shealy, Hollywood Elementary, It's Raining! What Are We Going To Do?
- Kimberly Nunnery, Lake Murray Elementary, Revitalizing Our ABC Garden
- Brittany Haroff, Lakeside Middle, Recycling Olympics
- Robert Bollier, Lexington Technology Center, Emotional Support for All
- Kelly Parker, Midway Elementary School, Vex 123
- Ashley Singletary, Pelion Middle School, Community Raised Bed Garden Expansion
- Kevin Kunkle, Piney Woods Elementary School Playing Fair with 9 Square in the Air
- William Slechta, Meadow Glen Middle School, Our Strings Players Rock
- Lori Wenzinger, Meadow Glen Elementary, Heroes of the Environment
- Valerie Steen, White Knoll High School, Life Skills and Beyond Unified
- Jordan Henry, White Knoll Middle School, We Are the Makers of Tomorrow

Congratulations to these teachers for their "Bright Ideas".

Mr. Paulling discussed two Cooperative fundraisers. The first is the WIRE (Women Involved in Rural Electrification) Golf Tournament held in October 2023, which was the 18th Annual. This fundraiser supports Becky's Place at Lexington Medical Center. The Cooperative donated \$10,000 to Becky's Place this year, bringing the total to over \$220,000. The second fundraiser is the Sporting Clays Shooting Event, and the 9th Annual was held on February 29, 2024. The Cooperative raised \$18,000 for the Joseph Stills Burn Center in Augusta, GA, bringing the total raised to \$196,000.

Mr. Paulling stated that every single day he gets to see servant leadership displayed throughout the Cooperative, and that is the key ingredient that makes Mid-Carolina Electric Cooperative so special. A servant leader focuses primarily on the growth and well-being of the people they lead and the communities to which they belong. While traditional leadership generally involves the accumulation and exercise of power by the ones at the “top of the pyramid,” servant leadership is different. Mid-Carolina’s pyramid is inverted. The servant leader shares the power and puts the needs of others first, and helps people develop and perform as highly as possible.

This past month, the Cooperative returned \$3.5 million back to the membership. Capital credits are returned in a hybrid method. Therefore, \$1.75 million was returned to the members that were on the Cooperative’s system in 2023, and the other \$1.75 million to the oldest outstanding balances which is the year 2010. If you were a member in both years, you received both.

Mr. Paulling discussed the lack of adequate power supply, which means 24/7 generation. This is what truly creates reliability. The reliability paired with affordability is vitally important to everyone. Unfortunately, Reliability and Affordability of our power grid faces two main threats: extreme weather and bad energy policy. We’ve probably taken our electric service for granted over the years, MCEC has a strong record of delivering safe, reliable power at an affordable price.

It is unfortunate that the reliability that everyone has today is not guaranteed for tomorrow, especially during extreme temperatures. South Carolina is growing as fast as anywhere in the country, both in terms of population and in economic development. That growth is also driving the demand for electricity to record highs. As a state, we have not secured the power supply we need to keep up. South Carolina hasn’t built a major power plant in almost two decades and is going in the other direction. We see power plants being retired ahead of schedule, even before adequate replacement generation is in place.

Also, federal regulations from the EPA could make matters worse by forcing us to abandon the dependable and reliable coal and gas-fired power plants that make up 60% of America’s power supply. These trends worry us, and we are starting to see the real-life impact.

Mr. Paulling reminded the members as he spoke about what happened Christmas Eve of 2022. All of the major utilities in the Southeast ran short on generation. Several days of freezing temperatures sent demand for electricity through the roof, and the power grid couldn’t keep up. Across the Carolinas, hundreds of thousands of people experienced rolling blackouts. Thankfully, none of our members were affected, but that winter storm was a wakeup call we cannot ignore. We know that when you cannot promise industries a stable supply of power, they will not come to South Carolina. In fact, we could end up losing the industries and jobs we already have. Therefore, we cannot accept a future of rolling blackouts.

The Cooperative is working with others across South Carolina to get a major energy bill passed at the State House this year that would help clear the way for Santee Cooper and Dominion to partner on a much-needed natural gas power plant. There is still work being done at the Federal level to make sure our representatives in Congress are doing everything they can to help us keep the lights on.

Mr. Paulling testified at a congressional hearing on Capitol hill in September 2023 about the need for more 24/7 power plants, more natural gas pipelines and more transmission lines. He also spoke on the severe impact that the proposed EPA regulations would have on future electric generation. It is vital that legislators do not close down any existing generating station, until adequate replacement is up and running.

Mr. Paulling reported we are aware there is a big push for solar energy, but the problem is that it's not always-on generation. Solar is important but only plays a small role in meeting power needs. The need is to address the state's looming power and natural gas shortage and upgrade the power grid for the needs of the 21st century. Mid-Carolina is doing everything we can to address these challenges. Rest assured that every action the Cooperative takes will be with the members in mind.

Mr. Paulling reported on the Cooperative's power cost. Everyone has experienced price increases in basically every aspect of life, and Mid-Carolina is no exception. Costs have increased in equipment, labor, material, taxes, insurance and the list goes on, but the most significant cost increase is yet to come. The Cooperative's wholesale power cost, which makes up around 65% of our total expenses, is projected to increase 15-20% over the next few years. There will be further information on the Cooperative's cost, as we mitigate this.

CarolinaConnect Cooperative is one of the greatest accomplishments in the history of MCEC. The CEO, Glenn Martin, was hired over eight years ago. The creation of CarolinaConnect was to create the perfect Internet service provider. CarolinaConnect now has over 30 employees and 36,000 customers. There are two other cooperative members, Newberry and Aiken.

Mr. Paulling thanked the Board and employees for all they do for Mid-Carolina Electric Cooperative.

Chairman Sox proceeded with the order of business. As a matter of unfinished business, Chairman Sox thanked Lexington County School District One for the use of the Gilbert Lexington One Performing Arts Center this evening. He also thanked the Center's Production Manager, Mr. Seth Ely. To Lexington District One Superintendent, Dr. Gerrita Postlewait; the Principal of Gilbert High School, Mr. David Dixon; the Principal of Beechwood Middle School, Ms. Leah Sarantopoulos; the Superintendent of Lexington//Richland District Five, Dr. Akil Ross; and the Principal of Chapin Middle School, Dr. Stephanie Huckabee, as well as all school district officials, we thank you for your cooperation and help with our Annual Meeting.

Chairman Sox next called on the Cooperative's General Counsel, Mr. David Black to handle the business of the Cooperative. Mr. Black stated that the first order of business is the reading and approval of the minutes of the 2023 Annual Meeting that was held on April 21, 2023. These minutes contain a narrative statement of the business transacted at that meeting, and a list of the members who had registered. Mr. Black reported he would read the minutes, if so desired, but he also entertained a motion to dispense with the formal reading of the minutes, and that the minutes of the 2023 Annual Meeting be approved, as presented by the Secretary. A motion was then made and seconded that the reading of the minutes be dispensed with, and that the minutes of the 2023 Annual Meeting be approved, as presented by the Secretary of the Cooperative. The motion passed unanimously, and Mr. Black stated these approved minutes will be posted on the Cooperative's website.

Mr. Black reported the second order of business is to present the candidates to serve on the Board of Trustees for Mid-Carolina Electric Cooperative. Pursuant to the Cooperative's Bylaws, the business affairs are managed by a Board of Trustees of nine members. One of the most important things that are done at the Cooperative's annual meeting is to elect Board Members.

Mr. Black stated that in accordance with the Bylaws, notice of Board District seats up for election was furnished to the members in November 2023 through *South Carolina Living*. The notice stated the following three seats were up for election for Mid Carolina Electric Cooperative's Board of Trustees: Districts 4, 5 and 6 for the term 2024-2027. The following candidates have applied and have been found to be qualified by the Nomination and Qualifications Committee. District 4, Mark A. Svrcek, District 5, Marvin W. Sox, and District 6, Kenneth E. Lindler.

Article III, Section 6 states: "If only one individual is nominated to run for election for a Trustee position scheduled for election by Members at the Annual Meeting, then the individual presiding at the Annual Meeting may announce that the nominated individual is elected by acclamation and no vote is required."

Because there is not a contested election for the three Trustee seats, the candidates are hereby elected and seated by acclamation.

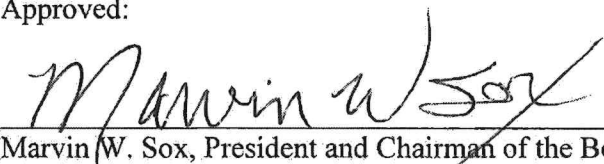
Mr. Black congratulated Mr. Svrcek, Mr. Sox and Mr. Lindler.

Chairman Sox thanked Mr. Black and then asked for any new business. There was no new business at this time. A motion was made to adjourn the meeting. The motion was seconded and unanimously passed. Chairman Sox announced the prize winners and adjourned the Cooperative's 2024 Annual Meeting.



Donette B. Kirkland, Secretary

Approved:



Marvin W. Sox, President and Chairman of the Board