

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SOUTH CAROLINA
MINUTES OF THE REGULAR BUDGET PRESENTATION MEETING
OF BOARD OF TRUSTEES
October 23, 2024

AGENDA ITEM # 1

CALL TO ORDER: Marvin W. Sox, President/Chairman
(2:00 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
Justin B. Watts

STAFF PRESENT: B. Robert “Bob” Paulling, President and CEO
Theresa D. Crepes, VP, Finance & Accounting
Robert A. “Bobby” Wilbur, VP, Operations
Steven G. Davidson, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

INVOCATION: Marvin Sox

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

2025 BUDGET PRESENTATION: Chairman Sox called the meeting to order. He then called on Mr. Paulling for his presentation. Mr. Paulling thanked the Staff for their input on the proposed budget. He stated that the proposed budget is based upon several major financial strategies: The Cooperative’s Times Interest Earned Ratio “TIER” will remain at 1.75. The Modified Debt Service Coverage “MDSC” ratio is projected to be 1.53 in 2025, and CFC requires a minimum of 1.35. Mr. Paulling reported that Mid-Carolina will retire approximately \$3.7 million in Capital Credits, which includes \$180,000 for estate payouts. Mr. Paulling stated there will be a need for an estimated \$20 million loan draws in 2025. Equity is projected to begin the year at 24.8% and end the year at 25.0%.

Deferred Credits are projected to fluctuate from a low of \$1.28 million to a high of \$4.9 million and end the year at (\$0.38) million. Equity is projected to increase in 2025 to 24.98%. Mr. Paulling reviewed the capital credit retirement schedule. In 2025, the proposed plan is to pay out \$1,750,000 for part of the 2011 retirements, and \$1,750,000 from 2024 retirements, as well as \$180,000 for estates in 2025, for a total retirement amount of \$3,680,000.

Mr. Paulling reviewed the major expenses for the Cooperative, which include purchase power, property taxes, interest expense, labor, right-of-way clearing and chemical application. He then explained the details of the 2025 Labor and Benefits budget. The total number of employee positions budgeted in 2025 is 166 full-time positions (including one position transferring from a part-time to a full-time position) and three part-time positions. The total amount budgeted for next year's payroll is \$14,894,631, which is an increase of \$912,823 (6.5%) from last year's budget. This budget includes an average adjustment of 4% effective October 1, 2025.

Mr. Paulling next reviewed the amounts budgeted for employee benefits. The total amount budgeted for medical insurance in the proposed budget is \$822,235 and the dental insurance total is \$185,683. He next reviewed a schedule showing the amounts budgeted for each employee benefit in 2025. The total amount budgeted for employee benefits (including payroll taxes) is \$7,801,676 (decrease of -2.1%). Mr. Paulling stated the total labor and benefits budget in 2025 will be \$22,696,307 (increase of 3.4%). He then reviewed a schedule showing the amounts budgeted for each board member benefit with a 2.2% increase in 2025.

Mr. Paulling then presented the Property Tax budget for 2025. He reviewed the millage schedule that showed the amount of property tax projected for each tax district within the Cooperative's service area. The total amount budgeted for property taxes in the proposed budget is \$10,562,780 (increase of 20.0%).

Mr. Paulling then presented the proposed capitalized expenditures for distribution plant additions under the proposed new budget. The total amount budgeted for fiber construction and drops is \$6,115,200, and \$6,250,000 for new electric service extensions in 2025. Mr. Paulling also reviewed and explained the amounts budgeted for system improvements \$4,258,250, and substation improvements \$3,250,000. He summarized that the total amount budgeted for all distribution plant additions will be \$19,873,450 (\$5,375,200 less than 2024).

Mr. Paulling called on Mr. Wilbur and Mr. Davidson to explain their General Plant Additions in detail. The total general plant in 2025 would be \$1,665,391 (\$599,509 less than 2024). Mr. Paulling asked Mr. Wilbur to discuss a map of the Cooperative's service territory displaying the right-of-way and chemical side trimming schedule by color. The Board discussed this schedule in detail.

Mr. Paulling recapped the income statement in the 2025 Budget compared to the 2024 Budget. He discussed every line item and pointed out the overall budget increase for 2025 is 13.53%, which is primarily due to the cost of purchased power increasing 13.15% next year. Mr. Paulling then reviewed the detailed list of donations that the Cooperative gives to local organizations.

AGENDA ITEM # 3

NEW BUSINESS: Chairman Sox called on Mr. Paulling who presented the proposed rate adjustments effective for January 1, 2025. He presented the changes for Rate Schedules D, P, O, C and X. After a discussion of each rate, Mr. Svrcek made a motion to approve the recommended changes to the rates presented with an effective date of January 1, 2025. The motion was seconded by Mr. Lunsford and unanimously passed.

See Resolution # 1

Chairman Sox thanked Mr. Paulling and the Staff for all their work on the proposed budget. He then encouraged the Board Members to study the proposed budget documents and direct any questions they may have on the budget to Mr. Paulling. There will also be a follow-up budget discussion prior to the approval at the Board Meeting on October 30, 2024.

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

AGENDA ITEM # 4

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

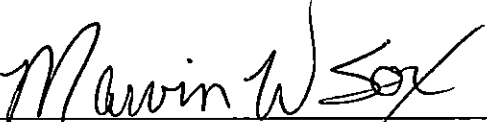
AGENDA ITEM # 5

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:00 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, Mr. Paulling presented the recommended rate changes with an effective date of January 1, 2025; and

WHEREAS, the rate increases are needed to provide adequate revenue to cover the increase cost of purchased power in 2025; and

WHEREAS, the adjustments will be made to Rate Schedules D, P, O, C and X; and

WHEREAS, the Board discussed and approved the recommendations, as presented;

NOW THEREFORE BE IT RESOLVED, by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. that the Board approves the recommended adjustments to Rate Schedules D, P, O, C and X with an effective date of January 1, 2025. The rate schedules are 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 23rd day of October 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
SCHEDULE D
RESIDENTIAL and FARM SERVICE

AVAILABILITY

Available in all areas served by the Cooperative, subject to the Cooperative's Service Rules and Regulations.

APPLICABILITY

Applicable for residential and farm accounts on a permanent year-round basis supplied through one meter.

TYPE OF SERVICE

Single phase or, where available, three phase service, 60 hertz, through one meter at standard secondary voltage, or other voltage as may be mutually agreed upon.

RATE

SUMMER

WINTER

(April – October)

(November – March)

Account Charge

~~\$.95~~\$1.30/day

~~\$.95~~\$1.30/day

Energy Charges:

All kWh

~~\$.0515~~\$0.064 per kWh

~~\$.0515~~\$0.064per kWh

Peak Charge:

~~\$12.00~~\$15.00/kW

~~\$12.00~~\$15.00/kW

As determined by the highest hourly usage during the following hours:

~~4:00 PM – 7:00 PM~~

6:00 AM – 9:00 AM

~~3:00 PM – 6:00 PM~~

MINIMUM CHARGE PER BILLING CYCLE

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.

MONTHLY ADJUSTMENT FACTOR

The Cooperative's Monthly Adjustment Factor will apply to all kWh and kW used under this schedule.

TERMS OF PAYMENT

All bills are net and payable when rendered.

OPTION FOR UNMETERED SERVICE

Under circumstances as determined by the cooperative and when the kWh and kW consumption can be reasonably determined, the cooperative may choose to bill based on the estimated kWh and kW usage at the above rate in lieu of a metered service.

SALES TAX

South Carolina Sales Tax will be added to the above rates where applicable.

EFFECTIVE DATE

For all bills rendered on or after ~~September 1, 2020~~ January 1, 2025.

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
SCHEDULE P
PAY AS YOU GO RIDER**

Availability

This rider is available in conjunction with the Cooperative's Rate Schedule D and is limited to single phase, 120/240 Volt service metered by a Form 2s, Class 200 meter or 120/208 Volt service metered by a Form 12sx, 12x or 12s Class 200 meter. The Pay As You Go Rider is not available concurrently with the Net Metering Rider.

Rate

The applicable rate per billing period shall be from the appropriate rate schedule as referenced in the Availability section above. This rider calculates and bills usage on a daily basis. The daily 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. Energy charges shall be based on the rates in the applicable rate schedules as described in the availability section above.
3. The daily On-Peak Charge shall be calculated based on the sum of the three hours of On-Peak energy (kWh) for each billed date. The On-Peak energy used will be charged an additional ~~\$0.38~~ \$0.47 per kWh.

Minimum Charge

The minimum charge per billing cycle under this schedule for single phase service shall be the Account Charge.

Effective Date

The rider becomes effective for those accounts that qualify and are billed on, or after ~~September 1, 2021~~ January 1, 2025, and is subject to be modified or discontinued by the Cooperative, at its sole discretion, at any time.

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
SCHEDULE O
CHURCH and SCHOOL SERVICE

AVAILABILITY

Available in all areas served by the Cooperative, subject to the Cooperative's Service Rules and Regulations.

APPLICABILITY

Applicable to all churches, schools, meeting facilities of community based non-profit groups and county owned recreational facilities.

TYPE OF SERVICE

Single phase or, where available, three phase service, 60 hertz, through one meter at standard secondary voltage, or other voltage as may be mutually agreed upon.

RATE

SUMMER
(April – October)

WINTER
(November – March)

Account Charge	\$1.40/\$1.65/day	\$1.40/\$1.65day
Energy Charges: All kWh	\$.0530-\$0.064per kWh	\$.0530-\$0.064 per kWh
Peak Charge: All kWh used during the following hours:	\$0.40 \$0.42 per kWh 4:00 PM – 7:00 PM 3:00 PM – 6:00 PM	\$0.40-\$0.42per kWh 6:00 AM – 9:00 AM

MINIMUM MONTHLY 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.

MONTHLY ADJUSTMENT FACTOR

The Cooperative's Monthly Adjustment Factor will apply to all kWh used under this schedule.

TERMS OF PAYMENT

All bills are net and payable when rendered.

SALES TAX

South Carolina Sales Tax will be added to the above rates where applicable.

EFFECTIVE DATE

For all bills rendered on or after ~~September 1, 2020~~ January 1, 2025.

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
SCHEDULE C
COMMERCIAL SERVICE

AVAILABILITY

Available in all areas served by the Cooperative, subject to the Cooperative's Service Rules and Regulations.

APPLICABILITY

Applicable to all Commercial Services whose load does not exceed 100 kW in a 12-month period.

TYPE OF SERVICE

Single phase or, where available, three phase service, 60 hertz, through one meter at standard secondary voltage, or other voltage as may be mutually agreed upon.

RATE

SUMMER
(April – October)

WINTER
(November – March)

Account Charge

\$1.40/\$1.65/day

\$1.40/\$1.65/day

Energy Charges:

All kWh

\$.058/\$0.071 per kWh

\$.058/\$0.071 per kWh

Peak Charge:

\$14.75/\$19.00/kW

\$14.75/\$19.00/kW

As determined by the highest hourly
usage during the following hours:

4:00 PM – 7:00 PM
3:00 PM – 6:00 PM

6:00 AM – 9:00 AM

MINIMUM CHARGE PER BILLING CYCLE

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.

MONTHLY ADJUSTMENT FACTOR

The Cooperative's Monthly Adjustment Factor will apply to all kWh and kW used under this schedule.

TERMS OF PAYMENT

All bills are net and payable when rendered.

OPTION FOR UNMETERED SERVICE

Under circumstances as determined by the cooperative and when the kWh and kW consumption can be reasonably determined, the cooperative may choose to bill based on the estimated kWh and kW usage at the above rate in lieu of a metered service.

SALES TAX

South Carolina Sales Tax will be added to the above rates where applicable.

EFFECTIVE DATE

For all bills rendered on or after ~~September 1, 2020~~ January 1, 2025.

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
SCHEDULE X - LARGE POWER SERVICE**

AVAILABILITY

Available in all areas served by the Cooperative, subject to the Cooperative's Service Rules and Regulations.

APPLICABILITY

Applicable to large power members where load exceeds 100 kW two out of the previous twelve months based on the Non-Coincidental peak demand.

TYPE OF SERVICE

Three phase service, 60 hertz, through one meter at standard secondary voltage, or other voltage as may be mutually agreed upon.

RATE

Account Charge	\$ 3.30 <u>\$4.25</u> per day
Demand Charge – Non-Coincidental Peak	\$ 4.25 <u>\$5.00</u> per kW
Demand Charge – On-Peak	\$ 15.00 <u>\$19.00</u> per kW
Energy Charge	\$.058 <u>\$0.071</u> per kWh

DETERMINATION OF BILLING DEMAND

The Non-Coincidental Peak billing demand shall be the maximum kilowatt demand established by the member for any period of 30 consecutive minutes during the billing period for which the bill is rendered, as recorded by the metering.

The On-Peak billing demand shall be the maximum clock hour kilowatt demand established by the member during the on-peak hours during the billing period for which the bill is rendered.

<u>SUMMER</u>	<u>WINTER</u>
(April – October)	(November – March)
——— 4:00 PM — 7:00 PM	6:00 AM – 9:00 AM
_____ 3:00 PM – 6:00 PM	

SCHEDULE X
PAGE 2

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be determined by either of the following, whichever is larger:

- A. The minimum monthly charge specified in the contract for service; or
- B. Daily Account Charge plus \$1.00 per kVA of required transformer capacity.

MONTHLY ADJUSTMENT FACTOR

The Cooperative's Monthly Adjustment Factor will apply to all kWh and kW used under this schedule.

TERMS OF PAYMENT

All bills are net and payable when rendered.

SALES TAX

South Carolina Sales Tax will be added to the above rates where applicable.

EFFECTIVE DATE

For all bills rendered on or after ~~September 1, 2020~~ January 1, 2025.