

Berkeley Electric Cooperative
Board Meeting
February 27, 2023
Minutes

The Berkeley Electric Cooperative Board of Trustee's meeting was held **Monday, February 27, at 1:00 P.M.** at the Moncks Corner Headquarters.

The meeting was called to order by Chairman DeWitt, Mr. DeWitt gave the invocation and we stood to honor the flag and recited the Pledge of Allegiance.

The following Trustees were present:

Connie Shuler	Henry H. Chavis, Sr.	Robert Vandross
Willis Sanders	H. Wayne DeWitt	Lee Clayton
Sam Gourdine	Sheila Powell	Bob Jenkins

President & CEO Michael S. Fuller, Executive Administrator Ashley Edens, and the following staff: VP of Finance Joel Stevens, VP of Member Services Amy Langdon, VP of Public Relations Tony Vincent, Trust Board Chairman Alton Hood as well as General Counsel John B. Williams were in attendance. The following retirees: Trust Board Member Gislaine Jenkins and Manager of Corporate Facilities Rusty Faulkner were also present to receive their retirement resolutions. Benefit Specialist Nelia Boykin was not able to attend the board meeting.

Chairman DeWitt called for approval of minutes from the January board meeting which was held on January 23rd. Upon motion by Mrs. Shuler, seconded by Mr. Sanders, and unanimously passed; it was

RESOLVED, that the Board of Trustees hereby approves the minutes of the January 23, 2023, as presented.

Retirement Resolutions-Mr. Fuller and Mr. Hood

WHEREAS, Russell “Rusty” Faulkner has given distinguished service to Berkeley Electric Cooperative during his tenure as a valued employee from March 9, 1998 to March 24, 2023; and

WHEREAS, Mr. Faulkner has exhibited exemplary enthusiasm and dedication to Cooperative activities during his tenure of service as a Special Investigator from 1998 to 2006, Investigator from 2006 to 2013, Manager of Corporate Security from 2013 to 2016, Manager of Corporate Facilities from 2016 to 2023; and

WHEREAS, his many contributions have been of especial value in the development and enhancement of the Cooperative during his tenure;

NOW, THEREFORE, BE IT RESOLVED, that the Berkeley Electric Cooperative President and CEO and Board of Trustees formally acknowledge and express profound appreciation, high commendation, and sincere best wishes to Rusty Faulkner, for his 25 years of service to the membership of the Cooperative.

BE IT FURTHER RESOLVED, that this Resolution be spread upon the records of the minutes of the Berkeley Electric Cooperative Board of Trustees and that a copy thereof be duly executed and transmitted to him.

**ADOPTED BY THE BERKELEY ELECTRIC COOPERATIVE BOARD OF TRUSTEES
ON THIS TWENTY-SEVENTH DAY OF FEBRUARY, TWENTY-THOUSAND
TWENTY-THREE.**

WHEREAS, Nelia Boykin has given distinguished service to Berkeley Electric Cooperative during her tenure as a valued employee from August 14, 2006 to February 24, 2023; and

WHEREAS, Mrs. Boykin has exhibited exemplary enthusiasm and dedication to Cooperative activities during her tenure of service as an Accounting Clerk/Accounting Technician from 2006 to 2013, Employee Benefits Specialist from 2013 to 2023; and

WHEREAS, her many contributions have been of especial value in the development and enhancement of the Cooperative during her tenure;

NOW, THEREFORE, BE IT RESOLVED, that the Berkeley Electric Cooperative President and CEO and Board of Trustees formally acknowledge and express profound appreciation, high commendation, and sincere best wishes to Nelia Boykin, for her many years of service to the membership of the Cooperative.

BE IT FURTHER RESOLVED, that this Resolution be spread upon the records of the minutes of the Berkeley Electric Cooperative Board of Trustees and that a copy thereof be duly executed and transmitted to her.

ADOPTED BY THE BERKELEY ELECTRIC COOPERATIVE BOARD OF TRUSTEES ON THIS TWENTY-SEVENTH DAY OF FEBRUARY, TWENTY-THOUSAND TWENTY-THREE.

WHEREAS, Gislaine Jenkins has given distinguished service to Berkeley Electric Cooperative during her tenure as a member of the Trust Board from 2015 to 2022; and

WHEREAS, Ms. Jenkins has exhibited exemplary enthusiasm and dedication to Cooperative activities during her tenure of service and has contributed to the betterment of the community; and

WHEREAS, her many contributions have been of especial value in the development and enhancement of the Cooperative and its membership during her tenure; and

NOW, THEREFORE, BE IT RESOLVED, that the Berkeley Electric Cooperative President and CEO and Board of Trustees formally acknowledge and express profound appreciation, high commendation, and sincere best wishes to Ms. Jenkins, for her many years of service to the Trust Board and membership of the Cooperative.

BE IT FURTHER RESOLVED, that this Resolution be spread upon the records of the minutes of the Berkeley Electric Cooperative Board of Trustees and that a copy thereof be duly executed and transmitted to her.

ADOPTED BY THE BERKELEY ELECTRIC COOPERATIVE BOARD OF TRUSTEES ON THIS TWENTY-SEVENTH DAY OF FEBRUARY, TWENTY-THOUSAND TWENTY-THREE.

Committee Reports

ECSC Board Report-Willis Sanders

Mr. Sanders stated there was a ECSC board meeting on February 2, 2023. The PowerXchange conference has several options to attend this conference including a virtual option. Mr. Sanders stated that he was asked to speak on a panel regarding governance. The breakout session will be called “The Great Governance Game Show”. There is also an app for PowerXchange that you can download with the schedule of all the sessions that are offered.

Central Meeting Report – Mr. DeWitt

Mr. DeWitt stated there was a special called board meeting on February 8, 2023. Mr. DeWitt gave a brief overview of the meeting.

CEEUS Meeting Report-Mr. Gourdine

Mr. Gourdine stated there was a CEEUS board meeting on February 2, 2023. Bob Pauling made a motion to seat Scott Riddle from Aiken Electric Cooperative. Mr. Capps gave his CEO report and provided a comparison between the 2021-2022 budget and actual sales for 2020-2021.

CEEUS will have a reception being held at the PowerXchange conference on Monday from 6-7pm. The CEEUS Equipment Tradeshow will be held on March 29th.

Annual Meeting Committee-Mr. Gourdine

Mr. Gourdine stated that the Annual Meeting Committee meet prior to the board meeting and the would like to propose the following dates for the 2023 Annual Meeting November 8th in Awendaw, November 9th in Johns Island, November 14th and 15th at the Moncks Corner Headquarters office. Mr. Gourdine said that the Committee would also like to propose to keep the bill credit as \$30.00 per voting member.

Upon motion by Mr. Clayton, seconded by Mr. Vandross, and unanimously passed; it was

RESOLVED, that the Board of Trustees hereby approves the following dates for the 2023 Annual Meeting; November 8th in Awendaw, November 9th in Johns Island, November 14th and 15th at the Moncks Corner Headquarters office. The bill credit will be \$30.00 for voting member as presented.

Financial Reports- Mr. Stevens

Mr. Stevens reviewed the financial reports from December 2022. Mr. Stevens reviewed over portions of the statement of operations and the balance on the Form 7.

Deferred Revenue-Mr. Stevens

Mr. Stevens proposed the below Deferred Revenue Plan.

Upon motion by Mr. Gourdine, seconded by Mr. Chavis, and unanimously passed; it was

RESOLVED, that the Board of Trustees Berkeley Electric Cooperative approve the 2022 Deferred Revenue Plan as shown below.

**BERKELEY ELECTRIC COOPERATIVE
DEFERRED REVENUE PLAN - 2022**

General

Berkeley Electric Cooperative (“Berkeley”), as part of its overall approach to establishing rates for electric energy, has established a “Deferred Revenue Plan.” Berkeley recognizes the possibility of having to increase rates more rapidly than its members desire because of projected increases in the cost of wholesale power. Accordingly, the plan is based on the desire to provide adequate cash flow and margins during periods that would otherwise be adversely affected by increased cost of power.

Under the plan, \$10,800,000 is to be deferred during 2022.

The deferral would be recognized as follows:

Year	Amount
2023	\$10,800,000

Escrow of Funds

The Board of Trustees specified the deferred funds be deposited in a special fund until such time as a like amount is subsequently amortized into revenue. Accordingly, the funds are to be maintained in a separate account.

Tax Status

Berkeley operates as a tax-exempt entity under Section 501(c)12 of the Internal Revenue Service Code. The board of trustees of Berkeley is aware of the potential impact of revenue deferral on its tax-exempt and cooperative statuses and, accordingly, intends to assign capital credits resulting from deferred margins to those members who paid them without regard to period of recognition as revenue.

Accounting

The plan is based on *Accounting Standards Codification (ASC) 980 - Regulated Operations*, which allows current period costs or revenues to be passed on to future customers with the assumption that such costs or revenues will be included in future rates.

The specific accounting entries relating to the Deferred Revenue Plan are:

<u>Account Number</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
	(1)		
490.00	Miscellaneous Service Revenues	XXX	
253.30	Other Regulatory Liabilities-Revenue Deferral		XXX

To record revenue deferral.

	(2)		
128.80	Other Special Funds – Deferred Revenue	XXX	
131.12	Cash – General Funds		XXX

To record deposit of deferred revenue in a special account until recognized as revenue.

	(3)		
131.12	Cash – General Funds	XXX	
253.30	Other Regulatory Liabilities-Revenue Deferral	XXX	
490.00	Miscellaneous Service Revenues		XXX
128.80	Other Special Funds – Deferred Revenue		XXX

To record recognition of deferred revenue and related transfer of funds.

The deferral amounts will be disclosed in the financial statement as follows:

- Opening balance by year.
- Amount deferred by year.
- Amount returned to revenue because of an increase in cost of power.
- Balance at end of year by years remaining for recognition.

If the rate of deferral changes, a new board resolution would be prepared and submitted to RUS.

Other

The plan has given consideration to Internal Revenue Service Regulations, ASC 980 and 7.CFR.1767. The plan was developed to comply with all above referenced documents.

Plan to Manage Retirement Benefit Cost-Mr. Stevens

Mr. Stevens proposed the following plan to manage retirement benefits cost.

Upon motion by Mr. Sanders, seconded by Mr. Clayton and unanimously passed; it was

RESOLVED, that the Board of Trustees Berkeley Electric Cooperative approve the 2022 Deferred Revenue Plan as shown below.

WHEREAS, Berkeley Electric Cooperative (“Cooperative”), as part of its overall approach to establishing rates for electric energy, has established a plan to manage postretirement benefit cost (“Plan”); and

WHEREAS, due to the fact that benefit costs encounter significant fluctuations due to interest rate changes, the Cooperative desires to stabilize costs for rate-making purposes, rather than having to change rates more frequently than its members’ desire; and

WHEREAS, the Plan is based on the desire to provide adequate cash flow and stable rates that would otherwise have significant impacts from year to year; and

WHEREAS, the Board of Trustees (“Board”) of the Cooperative realizes that changes in actuarial assumptions result in large changes in cost and wishes to defer decreases (credits) related to these postretirement benefit liabilities to offset future costs; and

WHEREAS, these costs have been recognized as an expense in previous periods, and the Board now desires to establish a Plan to offset any credits against future costs.

WHEREAS, the Plan is designed to be in accordance with *ASC 980*, allowing current period costs or revenues to be passed on to future members with the assumption that such costs or revenues will be included in future rates; and

WHEREAS, the specific accounting entries relating to the Plan are:

Account Number	Description	Debit	Credit
	(1)		
228.30	Postretirement Benefit Liability	\$4,813,331	
254.00	Other Regulatory Liabilities - Postretirement Benefits		\$4,813,331

To Record credits resulting from actuarial changes as an offset to future cost.

(2)

254.00	Other Regulatory Liabilities - Postretirement Benefits	\$x,xxx,xxx	
228.30	Postretirement Benefit Liability		\$x,xxx,xxx

To Record future liability accruals to recorded postretirement benefit credits.

WHEREAS, the deferral amounts will be disclosed in the financial statement as follows:

- Opening balance by year.
- Current year credits experienced.
- Liability accruals recorded.
- Balance at end of year.

WHEREAS, the Plan has given consideration to and comply with *ASC 980*.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Berkeley Electric Cooperative does hereby approve the above stated Plan on this 27th day of February 2023.

CERTIFICATION

I, Connie Shuler, Secretary/Treasurer of the Berkeley Electric Cooperative do hereby certify that the foregoing is a true and correct copy of excerpts from the minutes of a regular meeting of the Board of Trustees of the Berkeley Electric Cooperative of Moncks Corner, South Carolina, held on the 27th day of February 2023, as appears in the minutes book of the Corporation.

President/CEO Reports-Mr. Fuller

Mr. Fuller stated that there would be a staff and board treat on June 15th and June 16th at the Wampee Conference Center.

Attorney Report-Mr. Williams

Mr. Williams discussed a few legal cases that he is working on.

New Business-

The Chairman then called for new business. There was none.

Old Business – None.

There being no further business to come before the Board, a motion was made to adjourn.



H. Wayne DeWitt, Chairman



Connie Shuler, Secretary