

Berkeley Electric Cooperative
Board Meeting
November 27, 2023
Minutes

The Berkeley Electric Cooperative Board of Trustee’s meeting was held **Monday, November 27, 2023, at 1:00 P.M.** at the Moncks Corner Headquarters.

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

The following Trustees were present:

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

Mrs. Connie Shuler participated via telephone. President & CEO Michael S. Fuller, Executive Administrator Ashley Edens, and the following staff: VP of Finance Joel Stevens, Director of Engineering and Technical Services Chris Rutledge, Director of Key Accounts and Government Relations Bert Walling, Director of Safety and Technical Training Patrick Gailey as well as General Counsel John B. Williams were in attendance.

Chairman DeWitt called for approval of minutes from the October board meeting which was held on October 23, 2023. Upon motion by Mr. Chavis seconded by Mr. Gourdine, and unanimously passed; it was

RESOLVED, that the Board of Trustees hereby approves the minutes of the October 23, 2023 board meeting, as presented.

Committee Reports

ECSC Report- Mr. Sanders

Mr. Sanders gave a summary of what was discussed at the Communication Committee meeting on November 20, 2023. Travis Ward discussed the cost of production of the South Carolina Living magazine. Avery Wilks gave an update on the “I love my Coop” project. The North South Football game will be held on December 8th. Mr. Sanders reminded everyone that the Statewide survey needs to be completed.

Mr. Fuller briefed the Board on the proposal for the new ECSC training facility. Mr. Gailey was asked to speak in regard to our training program and partnership with Trident Technical School. There was no motion made.

Central Meeting Report-Mr. DeWitt

Mr. DeWitt reviewed the board summary from Central’s November board meeting. During the board meeting Charlie Allen was recognized for his faithful service to the cooperatives and was presented with a resolution of appreciation. The Nominating Committee met, and Keith Avery was elected to the Executive Committee. Chairman Basha called for approval of the 2024 Budget and Committee charter revisions, which were approved.

Financial Reports- Mr. Stevens

Mr. Stevens reviewed the financial reports from September 2023. Mr. Stevens reviewed portions of the statement of operations and the balance on Form 7.

Minium Lot Charge Increase-Mr. Stevens

Mr. Stevens recommended that we needed to make an amendment to the service rules and regulations for the proposed change for the minimum lot charge increase for developers. The change would be to \$2,000.00.

President/CEO Reports-Mr. Fuller

Proposed Resolution for Securitization-Mr. Fuller

Mr. Fuller reviewed the presentation and proposed that the Board approve the below resolution for Berkeley Electric Cooperative to participate in securitization of the Cook settlement exceptions costs and V.C. Summer units 2 and 3 costs. Upon a motion made by Mr. Clayton, seconded by Mrs. Powell. and unanimously passed; it was

WHEREAS, Berkeley Electric Cooperative, Inc. (the “Cooperative”) is a member-owner of Central Electric Power Cooperative, Inc. (“Central”), a generation and transmission cooperative which supplies the wholesale energy requirements of twenty member-owned distribution cooperatives located in South Carolina, including the Cooperative (collectively, “Central’s Members”); and

WHEREAS, Central purchases power on a “cost of service” basis from the South Carolina Public Service Authority (“Santee Cooper”), pursuant to the terms of a Power Systems Coordination and Integration Agreement, originally entered into effective December 31, 1980 (as amended and supplemented, the “Coordination Agreement”), for delivery to fifteen of Central’s Members and from Duke Energy Carolinas, LLC for delivery to the remaining five of Central’s Members; and

WHEREAS, the costs of these purchases together with all of Central’s other costs are combined and allocated to Central’s Members in accordance with their capacity and energy loads; and

WHEREAS, Santee Cooper has incurred costs (i) arising from financing of costs associated with the termination of construction and abandonment of the V.C. Summer Units 2 and 3 nuclear plant project, in an amount of approximately \$3.7 billion (the “V.C. Summer Units 2 & 3 Debt Costs”), and (ii) that it has been temporarily prohibited from recovering in rates under the terms of the settlement entered into by Santee Cooper with respect to the claims asserted in the *Cook v. Santee Cooper* case (the “Cook Settlement”), in an amount to be finally approved by the court administering the *Cook* Settlement (the “Cook Exceptions Costs” and, together with the V.C. Summer Units 2 & 3 Debt Costs, collectively, the “Costs to be Mitigated”); and

WHEREAS, Central and Santee Cooper have been participating in ongoing discussions regarding the use of securitization financing, in an amount of up to \$3.7 billion plus financing costs, to mitigate the annual rate impact to the retail customers of Santee Cooper and Central’s Members of the Costs to be Mitigated; and

WHEREAS, securitization financing involves the creation and imposition of a securitization charge billed directly to retail customers and used exclusively to pay debt service on securitization bonds or other securities and associated financing costs, which typically yields AAA ratings on the bonds or other securities and therefore savings on the debt service costs of the bonds or other securities when compared with traditional utility financing methods; and

WHEREAS, the securitization financing structure under discussion between Central and Santee Cooper would involve the collection of securitization charges directly from the retail customers of Santee Cooper and Central's Members to pay one or more issuances of securitization bonds or other securities, with the proceeds of such bonds or other securities used by Santee Cooper and Central's Members (through Central) to mitigate the annual rate impact of the Costs to be Mitigated by, among other things, reducing or delaying debt service through the financing or refinancing at AAA rates (compared to at

Santee Cooper's current or future bond rating) (i) certain of Santee Cooper's existing debt, (ii) certain of its future capital expenditures for shared resources, and (iii) the reimbursement to it of the amount of the *Cook* Exceptions Costs; and

WHEREAS, Central and Santee Cooper have been negotiating an agreement regarding the allocation of the securitization charges and associated savings of the proposed securitization financing between the retail customers of Santee Cooper and the retail customers of Central's Members, as well as agreement over several other material issues including (i) the amount of the *Cook* Exceptions Costs, which amount Santee Cooper can recover starting in 2025, (ii) accounting treatment for produced and purchased gypsum, (iii) how the regulatory asset arising from the termination of construction and abandonment of the V.C. Summer Units 2 and 3 nuclear plant project will be treated for Central's cost of service purposes under the Coordination Agreement, and (iv) various other outstanding audit and business issues (the agreement as to such other material issues, collectively, the "Global Mutual Resolution"); and

WHEREAS, Central and Santee Cooper are preparing a Memorandum of Understanding and Agreement ("MOU&A") to memorialize the overall understandings and agreements regarding the proposed securitization financing and the Global Mutual Resolution, which MOU&A will be provided upon completion of negotiations to the Central Board of Trustees for approval; and

WHEREAS, the Cooperative's realization of the financial and other benefits of the securitization financing is dependent on the Cooperative's participation in the securitization financing; and

WHEREAS, because the continued pursuit of securitization financing will, within a short timeframe, require significant effort from and coordination among Santee Cooper, Central, the Cooperative, and any other of Central's Members participating in the securitization in order to realize the projected financing and other benefits, and uncertainty about which of Central's Members are participating could jeopardize execution of a securitization financing within the required timeframe, Central has requested that each of Central's Members, including the Cooperative, adopt a resolution expressing its intent to participate in the securitization financing; and

WHEREAS, the stated support and intention of the Cooperative to pursue such securitization financing, together with the stated support and intention of the substantial majority of the other of Central's Members, is an important touchpoint to validate Central's continued investment of time and

effort to pursue the securitization financing and to facilitate coordination among Santee Cooper, Central, the Cooperative and the other of Central's Members participating in the securitization financing in a timely manner.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF BERKELEY ELECTRIC COOPERATIVE, INC. THAT:

The Cooperative hereby expresses its present intention to participate in the securitization financing described above and to support continued investment by Central of time and effort to pursue the securitization financing, *provided* that the intention and support of the Cooperative evidenced by the adoption of this resolution are conditioned upon the securitization financing occurring on substantially the terms to be contemplated in the MOU&A and the implementation of the Global Mutual Resolution on the terms to be set forth in the MOU&A, or on other satisfactory terms.

This is to certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Trustees of Berkeley Electric Cooperative, Inc., at its regular meeting on November 27, 2023, and that the same has neither been rescinded nor modified.

2023 Utility Tax Credit Request-Mr. Walling

Mr. Walling stated that as of March 31, 2022, SC legislation increased the maximum annual license tax credit from \$400,000 to \$600,000. Berkeley Electric Cooperative, Inc. now has \$600,000 utility tax credit annually for eligible infrastructure projects. First request is to provide \$600,000 to Dorchester County's two new industrial sites to improve water and sewer to attract new projects both industrial parked will be served by this infrastructure improvement that will provide sewer force mains to 3.3 million square feet of industrial space.

Upon motion by Mr. Clayton seconded by Mrs. Powell and unanimously passed; it was

RESOLVED, that the Board of Trustees hereby approves that Berkeley Electric Cooperative will pay \$600,000 in utility tax credits to Dorchester County for two industrial sites to improve water and sewer to attract new projects.

ORS Compliance Examination Audit Report- Mr. Fuller

Mr. Fuller reviewed the report that was sent in by ORS.

Executive Session

The Chairman then called for an Executive session and upon motion by Mr. Chavis, seconded by Mr. Clayton and unanimously passed, the Board went into Executive Session to discuss a contractual matter. Upon a motion by Mr. Gourdine, seconded by Mr. Chavis and unanimously passed, the Board came out of Executive session.

Overhead Line Patrol Contract-Mr. Rutledge

Mr. Rutledge stated we are making a recommendation to award the Overhead Line Patrol Contract to McCall Thomas in the amount of \$118,000 per year. The contract would run from January 1, 2024 through December 31, 2025. Upon motion by Mr. Jenkins, seconded by Mr. Chavis, and unanimously passed; it was

RESOLVED, that the Board of Trustees of Berkeley Electric Cooperative, Inc., has awarded to McCall-Thomas Engineering Co., Inc. the 2024-2025 Overhead Line Patrol contract. This labor only contract total amount is \$118, 000 per year. The materials are to be furnished by Berkeley Electric Cooperative, Inc.

Policy and Bylaw Committee-

Mr. Sanders stated that the Policy and Bylaw Committee met prior to the board meeting and the committee approved the recommended changes to Policy 413-Employee Training and Development to be taken to the full board. The following wording was added to that policy “The Board of Trustees will review reimbursement requests for advanced degrees for the President and CEO on a case-by-case basis. The Board approved for Mr. Fuller to pursue a doctorate degree at Clemson University. Upon a motion by Mrs. Powell seconded by Mr. Sanders, and unanimously passed; it was

RESOLVED, that the Board of Trustees of Berkeley Electric Cooperative, Inc., has approved the changed to Policy 413-Employee Training and Development. The Board of Trustees also approved of Mr. Fuller to pursue a doctorate degree at Clemson University.

Attorney Report-Mr. Williams

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

New Business-

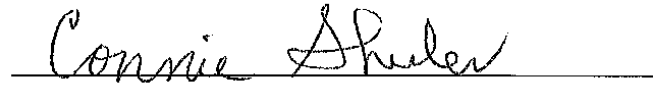
The Chairman then called for new business. There was none.

Old Business – None.

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

A handwritten signature in cursive script, appearing to read "H. Wayne DeWitt", written over a horizontal line.

H. Wayne DeWitt, Chairman

A handwritten signature in cursive script, appearing to read "Connie Shuler", written over a horizontal line.

Connie Shuler, Secretary

