

Berkeley Electric Cooperative
Board Meeting
February 26, 2024
Minutes

The Berkeley Electric Cooperative Board of Trustee's meeting was held **Monday, February 26, at 1:00 P.M.** at the Moncks Corner Headquarters.

The meeting was called to order by Chairman DeWitt, and Chairman 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 Public Relations Tony Vincent, VP of Information Technology Bryan Reece, Director of Information Technology Operations Justin McClung, Manager of Application Support Dawn Pascoe, Cybersecurity and Compliance Administrator Cayle Conkey, District Operations Manager for Moncks Corner Kevin Mizzell, Chairman of the Trust Board Alton Hood as well as General Counsel John B. Williams were in attendance.

Chairman DeWitt called for approval of minutes from the January board meeting which was held on January 22, 2024. Upon motion by Mr. Clayton seconded by Mr. Gourdine, and unanimously passed; it was

RESOLVED, that the Board of Trustees hereby approves the minutes of the January 22, 2024, as presented.

Proposed Changes to Trust Bylaws-Mr. Alton Hood

The Trust Board has voted to make amendments to the Bylaws and proposes that the Board accept the following changes: Increase the waiting period from 3 years to 4 years (both individuals/families and organizations). Limit members to one approved application every 4 years whether they are approved for the maximum amount (\$5,000). Open all 10 scholarships to children of co-op members rather than specify 7 to schools we serve and 3 at-large. This change will account for the increasing the amount of schools we serve, and will allow the Trust Board more freedom to choose the most-deserving students.

Upon motion by Mr. Sanders seconded by Mr. Jenkins, and unanimously passed; it was **RESOLVED, that the Board of Trustees hereby approves the proposed changes to the Trust Bylaws, as presented.**

Committee Reports

ECSC Board Report-Willis Sanders

Mr. Sanders stated the board meeting was held on February 1st and the following items were discussed in the board meeting: 2023 audit and 990 discussion, CEO Fly-in report, NRECA resolutions and education and events update. Mr. Fuller also gave the Board an update on ECSC's training facility.

Central Meeting Report-Mr. DeWitt

There was no Central board meeting this month.

CEEUS Meeting Report-Mr. Gourdine

Mr. Gourdine stated there was a CEEUS board meeting on February 1st. The CEEUS Equipment Tradeshow will be held on March 29th and CEEUS will be sponsoring a reception while at PowerXchange on March 4th from 6-7pm. Mr. Gourdine gave the Board an update on the new

SC Warehouse the project should be complete in August 2024 and he also gave update on the Virginia warehouse.

Annual Meeting Committee-Mrs. Powell

Mrs. Powell stated that the Annual Meeting Committee met and discussed the following proposed items for 2024 Annual Meeting. Below are the notes from that meeting.

Berkeley Electric Cooperative, Inc. Annual Meeting Committee 2024

Meeting: February 26, 2024: Annual meeting committee meeting

Committee Chair: Sheila Powell

Committee Members: Denver L Clayton, Willis Sanders, Robert Jenkins, Sam Gourdine

Board Chairman: Wayne Dewitt

Attorney: John Williams

Staff members: Amy Langdon, Eddie Plowden, Ashley Edens, Tony Vincent

SUBJECT: ANNUAL MEETING COMMITTEE

The following items will be considered for the 2024 Annual meeting of members and taken to the full board for approval:

1. Drive through voting schedule: proposed: 11-13: Awendaw, 11-14: Johns Island, 11-19: Moncks Corner, 11-20: Moncks Corner and recorded meeting available to members after 7 PM.
2. The updated district lines will be presented to the committee. Minor changes to District 4 moving members to District 1. Map printed and made available on board member's Call to Order. Printed map provided for discussion as well as shown on screen. Changes were approved.
3. Voting will continue using the successful iPad, electronic voting system.
4. That Pam Brown be retained to coordinate the poll managers in the election of trustees.
5. That Taylor, Miles and Associates, P.A. be retained to conduct the certification of the election of trustees. Discussed as necessary and approved to help maintain strong election certification.
6. That Bill Jordan serves as independent counsel to oversee the election of trustees.
7. That consideration is given to giving a bill credit of \$30 for all registered voters. Discussion was started by Shelia Powell to increase the registration to \$35, but discussion from Bob Jenkins and Willis Sanders pointed out election polling places are closer to member's homes, we will have to raise member rates in 2025 and need to limit cost increases, and the voting members is about 2 ½ times the needed number for the annual meeting quorum. The Board will keep \$30 for 2024 election.

8. Landmark dates will be shared with Jack/Ashley to guide committee meetings leading up to the annual meeting.

Board District: Jason has completed changing of lines to balance districts, using road boundaries and including growth areas for each district. Discussion with the Annual meeting board Committee February and recommended for approval at the February board meeting.

Meeting was adjourned by Shelia Powell.

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

RESOLVED, that the Board of Trustees hereby approves the following dates for the 2024 Annual Meeting; November 13th in Awendaw, November 14th in Johns Island, November 19th and 20th 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 2023. 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 Mrs. Shuler seconded by Mr. Vandross and unanimously passed; it was

BE IT RESOLVED, that the Board of Trustees of Berkeley Electric Cooperative approve the 2023 Deferred Revenue Plan.

BERKELEY ELECTRIC COOPERATIVE DEFERRED REVENUE PLAN - 2023

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 beginning in 2025. 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, \$7,800,000 is to be deferred during 2023.

The deferral would be recognized as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2025 | \$7,800,000 |

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 | |
| 254.00 | Other Regulatory Liabilities-Revenue Deferral | | XXX |
| | (2) | | |
| 128.80 | Other Special Funds – Deferred Revenue | XXX | |
| 131.12 | Cash – General Funds | | XXX |

To record revenue deferral.

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

(3)

| | | | |
|--------|---|-----|-----|
| 131.12 | Cash – General Funds | XXX | |
| 254.00 | 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.

President/CEO Reports-Mr. Fuller

Mr. Fuller stated that we will be hosting the 2024 Linemen Rodeo that will begin on March 15th through March 16th. The gates will open on Friday, and we will be cooking lunch for all the competitors on Friday also. Kevin Mizzell gave a brief overview of where all the events will take place and where parking will be available.

There will be a Showcase and Reception highlighting Camp Hall on April 9th from 5-7pm at the Palmetto Club in Columbia. Please let Ashley know as soon as possible if you will be able to attend. We hosted a retirement event last week for the retirees to come in for lunch with their spouses and get an update on several things that we are working on right now.

Information Technology Update-Information Technology Team

The Information Technology team gave a brief update on how they support the strategic objectives and the challenges they face.

Attorney Report-Mr. Williams

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

Executive Session-

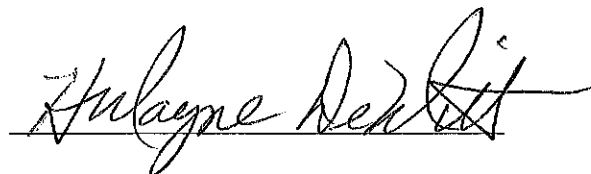
There was no business to discuss in the executive session.

New Business-

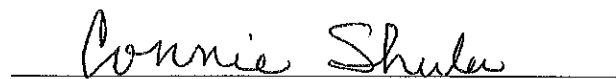
The Chairman then called for new business. There was none.

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

