

## **TRI-COUNTY ELECTRIC COOPERATIVE, INC.**

St. Matthews, South Carolina  
Minutes of the Board of Trustees Meeting  
March 27, 2025

Pursuant to due notice thereof, a regular meeting of the Board of Trustees of Tri-County Electric Cooperative, Inc. (hereinafter called the "Cooperative") was held on March 27, 2025 in the Boardroom at the Headquarters Office in St. Matthews, South Carolina.

The following trustees were present: Barbara Weston, Ida L. Dixon, S. George Wilson, Gary F. Geiger, William Robinson, James R. Dantzler, Willie Jeffries, Joe Strickland, and Jacqueline S. Shaw. Also present were Chad T. Lowder, CEO, John Felder, General Council, Frank Furtick, VP of Operations and Engineering, Keith Scharf, VP of Safety and Loss Control, Wilford Thompson, VP of Member Services, Tina Turnage, VP of Finance, Louis Arsenault, VP of Technology and TriCoLink Services, and Executive Assistant, Cindy Sarratt, who recorded the minutes of the meeting. In addition, Jason Peacock, CPA, of McNair, McLemore, Middlebrooks & Co., LLC attended the meeting to present the Annual Consolidated Audit and Form 990 Review.

### **CALL TO ORDER – INVOCATION**

President Ida Dixon called the meeting to order at 2:00 p.m. Following the Call to Order, Willie Jeffries gave the Invocation.

### **APPROVAL OF MINUTES OF BOARD MEETING OF FEBRUARY 27, 2025**

On motion by Jim Dantzler, seconded by Barbara Weston, and carried, the minutes of the Regular Monthly Board of Trustees Meeting of February 27, 2025 were approved.

### **ANNUAL CONSOLIDATED AUDIT AND FORM 990 REVIEW AND APPROVAL**

Jason Peacock appeared before the board and gave a detailed explanation of the annual Consolidated Audit and the IRS Form 990 that was performed by the Independent Accounting Firm of McNair, McLemore, Middlebrooks & Co., LLC for Year End 2024, indicating that the Cooperative and its subsidiaries received an Unmodified (clean) Audit Opinion.

### **REPORTS**

#### **FINANCIAL REPORTS**

The System Summary Reports and Monthly Financial Statements for February 2025 for the Cooperative and TriCo Development were approved as presented by the CEO.

#### **NEW MEMBER REPORT**

The CEO reported that 70 new members made application for service in February 2025. Those members are now actively receiving electric service from the Cooperative. On motion by George Wilson, seconded by Barbara Weston, and carried, the following resolution was passed:

RESOLVED, that the application of new members for February 2025 is hereby accepted and approved.

There were 108 Final Bills sent out for the month of February. Those members are no longer receiving electric service from the Cooperative.

#### **SAFETY REPORT**

Mr. Lowder reported that there were zero accidents and consumer damage claims reported in February 2025.

#### **BOARD COMMITTEE REPORTS**

##### **AUDIT COMMITTEE**

Barbara Weston reported that the Audit Committee met on March 27, 2025 at 1:30 p.m. and reviewed expense accounts for February 2024. A correction was made to the per diem allowance for three trustees.

##### **ECONOMIC DEVELOPMENT COMMITTEE**

An Economic Development Report was given later in the meeting.

##### **CEO COMPENSATION AND BENEFITS COMMITTEE**

The Committee Chairman announced that the Committee will meet briefly following the board meeting.

##### **ETHICS AND GOVERNANCE COMMITTEE**

No Report.

##### **POLICY AND BYLAWS COMMITTEE**

No Report.

#### **ORGANIZATIONAL UPDATES**

##### **CENTRAL UPDATE**

Chad Lowder reported that there is a bill in the Senate regarding a joint power plant between Santee Cooper and Dominion and presented an explanation of Central's Diversified Resource Portfolio.

##### **OPERATION ROUNDUP UPDATE**

Mr. Lowder reported that \$12,200 in grants were awarded at the Operation Round Up board meeting on March 17, 2025. Due to limited funds and a backlog of approved projects yet to be built and paid for, the board voted to freeze the acceptance of applications, with the exception of emergency handicap ramps, until the third quarter (September 2025). Mr. Lowder also

informed the board members of several Operation RoundUp board members that will be rolling off in August and will need to be replaced before the September 2025 ORU board meeting.

### **OLD BUSINESS**

#### **ECONOMIC DEVELOPMENT UPDATE**

The CEO gave an update of interest in the industrial site. On motion by Barbara Weston, seconded by Willie Jeffries, and carried, the board entered **Executive Session** to receive confidential information. Then, on motion by Barbara Weston, seconded by Jim Dantzler, and carried, the board returned to regular session after having taken no action in executive session.

#### **FIBER TO THE HOME PROJECT UPDATE**

Mr. Lowder gave a fiber project update and gave the results of the Customer Satisfaction Survey.

### **NEW BUSINESS**

#### **RESOLUTION – DEFERRED REVENUE PLAN**

On motion by Jim Dantzler, seconded by William Robinson, and carried, the following Resolution was approved:

**TRI-COUNTY ELECTRIC COOPERATIVE, INC.  
DEFERRED REVENUE PLAN**

**BE IT RESOLVED**, that the Board of Trustees of Tri-County Electric Cooperative, Inc. approve the Deferred Revenue Plan.

**General**

Tri-County Electric Cooperative, Inc., as part of its overall approach to establishing rates for electric energy, has established a “Deferred Revenue Plan.” Due to the potential of increasing power cost, Tri-County Electric Cooperative, Inc. recognizes the possibility of having to increase rates more rapidly than its members desire. 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, deferrals will be as follows:

<u>Year</u>	<u>Amount Deferred</u>
2024	\$1,000,000

The deferral would be recognized based on the following schedule:

<u>Year</u>	<u>Amount Recognized</u>
2025	\$1,000,000

#### **Escrow of Funds**

The board of directors specified the deferred funds be held in a special fund or the Central Electric Power Cooperative, Inc line of credit program until such time as a like amount is subsequently amortized into revenue.

#### **Tax Status**

Tri-County Electric Cooperative, Inc. operates as a tax-exempt entity under Section 501(c)12 of the Internal Revenue Service Code. The board of directors of Tri County Electric Cooperative, Inc. 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 plan are:

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

To record revenue deferral.

(2)

128.02	Other Special Funds-Deferred Revenue	XXX	
131.11	Cash		XXX

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

(3)

131.11	Cash	XXX	
254.01	Other Regulatory Liabilities-Revenue Deferral	XXX	
451.05	Miscellaneous Service Revenues		XXX
128.02	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.

### Other

The plan has given consideration to Internal Revenue Service Regulations, ASC 980 and 18CFR 101. The plan was developed to comply with all above referenced documents.

### **RESOLUTION – BOARD ATTENDANCE AT THE NRECA LEGISLATIVE CONFERENCE, THE SC TRUSTEE ASSOCIATION MEETING, AND THE ECSC SUMMER CONFERENCE**

On motion by Barbara Weston, seconded by Jackie Shaw, and carried, the following Resolution was approved:

**WHEREAS**, the Cooperative Trustees are encouraged to attend and represent the Cooperative at regional, national, and statewide meetings;

**AND WHEREAS**, the following Trustees have requested permission to attend the 2025 NRECA Legislative Conference in Washington, DC April 27-29, 2025: Ida Dixon and George Wilson;

**AND WHEREAS**, the following Trustees have requested permission to attend the SC Trustee Association Meeting in Mt. Pleasant, SC May 7-9, 2025: Ida Dixon, George Wilson, Willie Jeffries, Joe Strickland, and Gary Geiger;

**AND WHEREAS**, the following Trustees have requested permission to attend the ECSC Summer Conference at the Isle of Palms June 1-4, 2025: Ida Dixon, George Wilson, Willie Jeffries, Joe Strickland, Gary Geiger, Barbara Weston, Jackie Shaw, Jim Dantzler, and William Robinson;

**THEREFORE, BE IT RESOLVED**, the Board of Trustees hereby approves the Trustees' request to attend the 2025 NRECA Legislative Conference, the SC Trustee Association Meeting, and the ECSC Summer Conference.

**RESOLUTION – GUARANTEE FOR TRICOLINK COBANK LOAN**

On motion by Barbara Weston, seconded by Willie Jeffries, and carried, the following Resolution was approved:

**WHEREAS, TRICOLINK, INC.** (the "Borrower") has applied or from time to time may apply to CoBank, ACB (the "Lender") for a loan or loans or other financial accommodations (individually or collectively, the "Loans").

**WHEREAS**, Lender is unwilling to extend credit to the Borrower unless the Guarantor guarantees payment of the Loans and all interest and other obligations and liabilities arising in connection therewith (collectively, the "Guaranteed Obligations").

**WHEREAS**, the Guarantor, pursuant to its formation and organization documents ("Organizational Documents"), has full power and authority to guarantee loan obligations and to secure the same with its own property as required by Lender.

**WHEREAS**, the Board of Trustees has concluded that the Guarantor will directly derive material benefit from Lender making the Loans to the Borrower from time to time, and therefore it is in the best interest of the Guarantor for it to guarantee the Guaranteed Obligations.

**WHEREAS**, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner.

**NOW, THEREFORE, BE IT RESOLVED**, that each of the following persons or positions: (line out any not to be authorized under this Resolution) **President, Vice President, Treasurer, Secretary, Chief Executive Officer, Vice President of Finance** and any others to be authorized under this Resolution (insert titles only)

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“Authorized Signatories”) of the Guarantor are hereby jointly and severally authorized and empowered by and on behalf of the Guarantor to: (1) execute and deliver to Lender an absolute and unconditional continuing guarantee of payment in such form and containing such provisions as any one of said Authorized Signatories so acting shall deem proper; (2) if and to the extent required by Lender, grant to Lender, by means of such instruments and documents as may be agreeable to any Authorized Signatory, a lien on and security interest in all or any part of the Guarantor’s real and personal property as security for the Guarantor’s obligations under the guarantee; and (3) execute such amendments, supplements, and restatements to any of the foregoing as any one of said Authorized Signatories shall from time to time deem proper.

**RESOLVED FURTHER**, that each of the Authorized Signatories is hereby jointly and severally authorized and directed to do or cause to be done, from time to time, all things which may be necessary or proper to carry out the terms and intent of these Resolutions.

**RESOLVED FURTHER**, that every act and action of any person heretofore executing any document or instrument delivered to Lender or its designee or required to create, make, enter into, perform, amend or confirm any obligation to or in favor of Lender to accomplish the purposes of these Resolutions, and any existing guarantees of the Borrower’s debt made by the Guarantor in favor of Lender, are hereby ratified, approved, adopted and confirmed as if it had been validly and lawfully authorized upon and as of the date of such act or action, notwithstanding any invalidity, defect or insufficiency that may exist or may have existed in the power or authority of such person then executing such document or instrument, and every such person and each of the Authorized Signatories are hereby jointly and severally delegated all necessary power and authority to effect the foregoing.

**RESOLVED FURTHER**, that the Secretary or Authorized Signatory of the Guarantor is hereby authorized and directed to certify to Lender a copy of these Resolutions, the names and specimen signatures of the Authorized Signatories, and if and when any change is made in the personnel of any Authorized Signatories, the fact of such change and the name and specimen signatures of the new Authorized Signatories. Lender shall be entitled to rely on any such certification until a new certification is actually received by Lender.

#### **MAY BOARD MEETING DATE CHANGE**

On motion by Barbara Weston, seconded by Willie Jeffries, and carried, the date of the May Board Meeting was changed to Wednesday, May 21, 2025.

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**REPORT OF POWERXCHANGE CONFERENCE**

Those who attended reported that, although the PowerXchange Conference was not very well attended, the speakers were informative and the director education course was good.

**APRIL COMMITTEE MEETINGS AND BOARD MEETING TIME CHANGE**

On Thursday, April 24, 2025 the CEO Compensation and Benefits Review Committee will meet at 11:30 a.m., the Audit Committee will meet at 12:30 p.m., and the Board Meeting will be held at 1:00 p.m.

**REPORT OF SC POWER TEAM EDR CONFERENCE**

Barbara Weston reported that she attended the EDR Conference. It was well attended and the speakers were very good.

**USED EQUIPMENT DONATION**

Due to the condition of the truck, on motion by Barbara Weston, seconded by Willie Jeffries, and carried, the Cooperative will donate a 2012 International Truck with a 1996 Digger Derrick to Statewide to be used for training purposes rather than selling it in a used equipment sale.

**PRESENTATION OF DIRECTOR GOLD CERTIFICATES**

In recognition of having successfully completed the requirements of the NRECA Director Gold Program, Certificates were presented to Willie Jeffries, George Wilson, and James Dantzler.

**EXECUTIVE SESSION**

On motion by Willie Jeffries, seconded by Barbara Weston, and carried, the board entered executive session to receive a legal update. Then, on motion by Willie Jeffries, seconded by Jackie Shaw, and carried, the board returned to regular session after having taken no action in executive session.

**ADJOURNMENT**

There being no further business, on motion by Barbara Weston, seconded by Jackie Shaw, and carried, the meeting adjourned at 4:49 p.m.

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Jacqueline S. Shaw, Secretary

APPROVED:

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Ida L. Dixon, President