

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

St. Matthews, South Carolina
Minutes of the Board of Trustees Meeting
February 26, 2026

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 February 26, 2026 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, William Robinson (Via Telephone), James R. Dantzler, Willie Jeffries (Via Telephone), Joe Strickland, Gary Geiger, and Jacqueline S. Shaw. Also present were Chad T. Lowder, CEO, John Felder, General Council, Tina Turnage, VP of Finance, Frank Furtick, VP of Engineering and Operations, Kristen Zeigler, VP of Human Resources, Keith Scharf, VP of Safety and Loss Control, Wilford Thompson, VP of Member Services, and Executive Assistant, Cindy Sarratt, who recorded the minutes of the meeting. In addition, Bobby Smith, President and CEO of New Horizon Electric Cooperative, attended to give a presentation on New Horizon.

CALL TO ORDER – INVOCATION

President Barbara Weston called the meeting to order at 2:00 p.m. Following the Call to Order, Joe Strickland gave the Invocation.

APPROVAL OF MINUTES OF BOARD MEETING OF JANUARY 22, 2026

On motion by Gary Geiger, seconded by George Wilson, and carried, the minutes of the Regular Monthly Board of Trustees Meeting of January 22, 2026 were approved.

REPORTS

FINANCIAL REPORTS

The Draft System Summary Reports and Monthly Financial Statements for January 2026 for the Cooperative and TriCo Development were approved as presented by the CEO. The Annual Audit is Pending.

NEW MEMBER REPORT

The CEO reported that 107 new members made application for service from January 2026. Those members are now actively receiving electric service from the Cooperative. On motion by William Robinson, seconded by Gary Geiger, and carried, the following resolution was passed: RESOLVED, that the applications of new members for January 2026 are hereby accepted and approved.

There were 129 Final Bills sent out for the month of January 2026. Those members are no longer receiving electric service from the Cooperative.

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SAFETY REPORT

Mr. Lowder reported that there were no Lost Time Accidents, No Hours Lost, No OSHA Recordable Accidents, no Employee Injuries, no consumer damage claims, and no miscellaneous accidents reported in December 2025. One vehicle accident was filed after a cooperative vehicle ran into a stump in the right-of-way while working an outage. Also, Mr. Lowder reported that the Safety Kick-off Breakfast and a Safety Meeting were held this morning.

BOARD COMMITTEE REPORTS

AUDIT COMMITTEE

Barbara Weston reported that the Audit Committee met on February 26, 2026 at 1:30 p.m. and reviewed expenses for January. All accounts were found to be in order and were accepted by the Audit Committee. The board members were reminded to submit their Director Hours reports for the auditors.

ECONOMIC DEVELOPMENT COMMITTEE

No report.

CEO COMPENSATION AND BENEFITS COMMITTEE

The CEO Compensation and Benefits Committee report was given in executive session.

ETHICS AND GOVERNANCE COMMITTEE

No report.

POLICY AND BYLAWS COMMITTEE

The Policy and Bylaws Committee met on February 11, 2026 to discuss the proposed Financial Policy. Upon the recommendation of the Policy and Bylaws Committee, the board approved the Financial Policy.

ORGANIZATIONAL UPDATES

CENTRAL UPDATE

Mr. Lowder reported that the Central Executive Committee met and discussed power supply, current rates, and future projections.

STATEWIDE UPDATE

Mr. Lowder reported that the Statewide board met on February 5, 2026. He then gave the timeline for the CEO search.

OLD BUSINESS

NEW HORIZON PRESENTATION

Bobby Smith, President and CEO of New Horizon Electric Cooperative, gave a presentation on benefits to Tri-County for joining New Horizon. Following the presentation, on motion by Jim Dantzler, seconded by Gary Geiger, and carried, the board voted to pursue membership in New Horizon Electric Cooperative.

ECONOMIC DEVELOPMENT UPDATE

The CEO gave an update on industrial projects.

FIBER PROJECT UPDATE

The Fiber Project Update was deferred to the TriCoLink board meeting in March.

NEW BUSINESS

BAD DEBT WRITE-OFFS FOR 2025

On motion by George Wilson, seconded by Gary Geiger, and carried, the board wrote off bad debts for 2025 in the amount of \$119,618.

CONFLICT OF INTEREST FORMS

Board members were asked to complete and submit their annual Conflict of Interest Forms.

RESOLUTION: DEFERRED REVENUE

On motion by Jim Dantzler, seconded by Joe Strickland, and carried, the following resolution was approved:

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>
2026	\$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.

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RESOLUTION: CFC LOAN AGREEMENT

On motion by Gary Geiger, seconded by William Robinson, and carried, the following resolution was approved:

RESOLVED, that the Cooperative apply to borrow from National Rural Utilities Cooperative Finance Corporation (CFC), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$40,000,000.00, as set forth in the loan agreement with CFC governing such loan, in such form as the individuals authorized herein may negotiate with CFC (the "Loan Agreement"); and

RESOLVED, that the proceeds of this loan be used for the purpose set forth in the Loan Agreement; and

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents (including as many counterparts as may be required):

- a) the Loan Agreement;
- b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$40,000,000.00, in such form as the individuals authorized herein may negotiate with CFC; and
- c) if required by CFC, a mortgage and security agreement with CFC as mortgagee for purposes of securing the loan provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Loan Agreement as such individual may deem appropriate within the amount of the promissory notes so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
CEO	Chad Lowder
VP of Finance	Tina Turnage

APPROVAL OF M-REC RIDER

After some discussion, on motion by Joe Strickland, seconded by Gary Geiger, and carried, the M-REC Rider was approved as presented by the CEO.

RETIREMENT RESOLUTIONS FOR DENISE SIKES AND THOMAS R. "RUSTY" BAIR

DENISE SIKES

*Whereas,
DENISE SIKES has contributed her time
and talents in support of the goals and objectives of
Tri-County Electric Cooperative, Inc., providing
Twenty years of faithful and dedicated service to
Tri-County Electric Cooperative, Inc.
and its members, and it is through her skills and devotion to the
Cooperative that the rural members have benefited, and*

*Whereas,
The Board of Trustees of Tri-County Electric Cooperative, Inc.
hereby acknowledges the long and faithful service of
DENISE SIKES to Tri-County Electric Cooperative, Inc.*

*Whereas,
The Board of Trustees and her fellow employees will miss the friendship and wisdom of
DENISE SIKES;*

*NOW, THEREFORE, BE IT RESOLVED,
That the Board of Trustees of Tri-County Electric Cooperative, Inc.
takes this means to express their thanks and appreciation to
DENISE SIKES for her many years of
loyal and dedicated service to
Tri-County Electric Cooperative, Inc.;*

*BE IT FURTHER RESOLVED,
that DENISE SIKES is wished much happiness
and success upon her retirement and in her future endeavors.*

THOMAS R. "RUSTY" BAIR

*Whereas,
THOMAS R. "RUSTY" BAIR has contributed his time
and talents in support of the goals and objectives of
Tri-County Electric Cooperative, Inc., providing
Thirty-nine years of faithful and dedicated service to
Tri-County Electric Cooperative, Inc.
and its members, and it is through his skills and devotion to the
Cooperative that the rural members have benefited, and*

*Whereas,
The Board of Trustees of Tri-County Electric Cooperative, Inc.
hereby acknowledges the long and faithful service of
THOMAS R. "RUSTY" BAIR to Tri-County Electric Cooperative, Inc.*

*Whereas,
The Board of Trustees and his fellow employees will miss the friendship and wisdom of
THOMAS R. "RUSTY" BAIR;*

*NOW, THEREFORE, BE IT RESOLVED,
That the Board of Trustees of Tri-County Electric Cooperative, Inc.
takes this means to express their thanks and appreciation to
THOMAS R. "RUSTY" BAIR for his many years of
loyal and dedicated service to
Tri-County Electric Cooperative, Inc.;*

*BE IT FURTHER RESOLVED,
that THOMAS R. "RUSTY" BAIR is wished much happiness
and success upon his retirement and in his future endeavors.*

REPORT OF CFC WORKSHOP

Attendees commented that they enjoyed the CFC Workshop and thought it was very informative.

CEEUS TRADE SHOW

Mr. Lowder announced that the date of the CEEUS Trade Show is March 25th and urged those wishing to attend to let Cindy Sarratt know so that she can RSVP for them.

CEO COMMENTS

The CEO gave an update of the 2025 Corporate Strategic Goals. Employee changes effective March 2, 2026 were announced. Mr. Lowder reported that we hosted students from Branchville High School for a Career Day on February 19th. The City of Santee has approved installation of a payment kiosk to be installed in June at Santee Town Hall.

Mr. Lowder then presented Ida Dixon with her Director Gold Certificate.

Death of Retirees

Gary Geiger informed the board that the following Tri-County retirees have recently passed away: Billy Bates and Suzette Heckle.

EXECUTIVE SESSION

On motion by Gary Geiger, seconded by Joe Strickland, and carried, the board entered executive session to receive the report of the CEO Compensation and Benefits Review Committee. Then, on motion duly made, seconded, and carried, the board returned to regular session after having taken no action in executive session.

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ADJOURNMENT

There being no further business, on motion by Gary Geiger, seconded by Joe Strickland, and carried, the meeting adjourned at 4:52 p.m.

Jacqueline S. Shaw, Secretary

APPROVED:

Barbara F. Weston, President