

MECKLENBURG ELECTRIC COOPERATIVE
Minutes of the Board of Directors Meeting

Cooperative Headquarters
Chase City, VA

November 16, 2022

A regular meeting of the Board of Directors of Mecklenburg Electric Cooperative, a Virginia electric distribution cooperative (the "**Cooperative**"), convened at its Headquarters in Chase City, pursuant to notice given in accordance with the Cooperative's by-laws.

The following directors were present in person:

David Jones	Chairman
Franklin Myers	Vice Chairman
Donald Moore	Secretary/Treasurer
Fletcher Jones	
David Hall	
Angela Wilson	
Peggy Lee	
Brandon Hudson	
Michael McDowell	

Also present at the meeting were:

John Lee	President and CEO
James Guy	General Counsel
Carolyn Glass	Executive Assistant
Dwayne Long	Vice President of Information Technology
Benjamin Seamans	Vice President of Engineering and Operations
Carol Ann Jones	Vice President of Finance & Accounting
David Lipscomb	Vice President of Member & Energy Services

Board Chairman David Jones chaired the meeting. Secretary/Treasurer, Donald Moore acted as Secretary of the meeting, assisted by Carolyn Glass, Executive Assistant.

Call to Order

Chairman Jones called the meeting to order. Based on the number of directors in attendance at the meeting and the Cooperative's by-laws, it was determined that a quorum was present, and the meeting could proceed.

Agenda

Upon motion made and properly seconded, the meeting agenda was unanimously approved.

Mecklenburg Electric Cooperative

Board Minutes

November 16, 2022

Minutes

The minutes of the previous month's Regular Meeting, which had been distributed to the directors in advance of the meeting, were reviewed. Upon motion made and properly seconded, the directors unanimously approved the minutes.

Financial Report

Vice President of Finance & Accounting Carol Ann Jones presented the October 2022 Financial Report and Proforma to the Board which accepted it as information.

Expense Report

The Expense Report for the month of October 2022 was reviewed and the Board accepted it as information.

Safety Report

President & CEO John Lee reported that there were no accidents during the month of October 2022. The Safety Report was reviewed by the Board and accepted as information.

Legal and Regulatory Report

General Counsel James Guy presented his legal report. He also discussed a confidential legal matter.

President & CEO's Report

Mr. John Lee presented his President's Report and discussed the following:

1. Mr. Lee reported on a Dominion Energy issue.
2. Mr. Lee discussed the governance changes made by MEC.
3. Mr. Lee shared a video on SVHEC Youth Apprenticeship Program.

VMD and ODEC Reports

Virginia, Maryland and Delaware Association of Electric Cooperatives' Report - Mr. Fletcher Jones gave his report.

VMDAEC Committee Reports – No report was given.

Executive Committee. No report was given.

Government Relations Committee. Mr. Donald Moore gave his report.

Mecklenburg Electric Cooperative

Board Minutes

November 16, 2022

ACRE Committee. No report was given.

Awards Committee. Mr. Brandon Hudson gave his report.

ODEC Report - Chairman Jones gave his ODEC report.

New Members

Upon motion made and properly seconded, the Board approved 133 applications for Membership for the month of October 2022.

Monthly Write-Off of Bad Debt

Upon motion made and properly seconded, the Board approved a total of \$20,620.77 as bad debt write-offs for the month of September 2022.

Capital Credit Retirement

Vice President of Finance and Accounting Carol Ann Jones presented the proposed capital credit retirements. Staff recommended the retirement of Capital Credits in the amount of \$1,177,970. This year's retirement represents 100% of the remaining 2001 capital credit allocations plus 9.51% of the remaining 2002 capital allocation. Upon motion made and properly seconded, the Board voted to accept staff's recommendation to retire Capital Credits in the amount of \$1,177,970 and notify its lender of this retirement of Capital Credits.

Finance Committee Recommendation

On behalf of the MEC Finance Committee, Chairman Franklin Myers made the following recommendation to the Board.

- Healthcare plan
 - Maintain self-insured model
 - Maintain both HDHP and PPO plans with Anthem
 - Maintain HSA and FSA
 - Continue offering multiple tier rates
- 401(k) Contribution plan
 - Maintain contribution plan matching up to the first 2% contributed by employee of respective base salary
- RS Defined Benefit plan
 - Maintain both defined benefit plans as designated for employees based on hire date

Upon motion made, the Board voted to approve the recommendations as presented for the 2023 Benefits package offered to MEC employees.

Safety Review

Mr. Matt Shaw presented with 2022 Safety Review.

Approval of Resolution for Line of Credit

Upon motion made and properly seconded, the Board voted to approve an amendment to the Perpetual Line of Credit. Be it resolved, that the Cooperative execute an amendment to the Line of Credit to increase the amount thereof to an amount which shall not at any one time exceed \$20,000,000.00 (the “Line of Credit”), subject to the provisions of the Amendment substantially in the form submitted to this meeting (the “Amendment”).

Upon motion made and properly seconded, the Board voted to approve that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities cooperative Finance Corporation (“CFC”) in an amount which shall not at any one time exceed \$10,000,000.00 (the “Line of Credit Amount”), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the “Line of Credit Agreement”).

Other

The MEC Finance Committee will meet at 1:00 p.m. on December 21, 2022, to discuss the 2023 budget, followed by the Board meeting.

Executive Session

Upon motion made and properly seconded, the Board voted to move into Executive Session.

Regular Session

The Board exited Executive Session and resumed its regular session. The Chairman reported that during the Executive Session, the Board had discussed and approved the President and CEO’s proposal to allocate a certain amount of funds for discretionary bonuses, to be awarded by the CEO.

Adjournment

There being no other business, upon motion made and properly seconded, the regular Board meeting adjourned.

Mecklenburg Electric Cooperative

Board Minutes

November 16, 2022

These Minutes of the Mecklenburg Electric Cooperative Regular Board Meeting held on November 16, 2022, were approved by the Board at a subsequent meeting held on December 21, 2022.

A handwritten signature in cursive script that reads "Donald S. Moore". The signature is written in dark ink and is positioned above a horizontal line.

Donald Moore

Secretary/Treasurer, as secretary of the
meeting