

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SOUTH CAROLINA
MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

February 24, 2021

AGENDA ITEM # 1

CALL TO ORDER: Marvin W. Sox, President/Chairman
(1:00 p.m.) Clifford B. Shealy, Vice President/Vice Chairman
Donette B. Kirkland, Secretary
J. Allan Risinger, Treasurer
J. Carey Bedenbaugh, Jr.
Eddie C. Best, Jr.
Kenneth V. Frick
Alan R. Lunsford
Justin B. Watts

STAFF PRESENT: B. Robert "Bob" Paulling, President and CEO
Theresa D. Crepes, VP, Finance and Accounting
Robert A. Wilbur, VP, Operations
Lee H. Ayers, VP, Engineering
Troy A. Simpson, VP, Member Services (via Zoom)
Keith D. Sturkie, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black (via Zoom)

INVOCATION: Allan Risinger

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order and stated that Mr. Black was in court today and would be joining via Zoom later in the meeting. He then asked if there were any corrections, additions or deletions to the minutes of the regular monthly meeting held on January 27, 2021, and the special meeting held on February 3, 2021. There were no corrections to these minutes, and Mr. Risinger made a motion to approve both sets of minutes, as presented. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 1

AGENDA ITEM # 3

UNFINISHED BUSINESS: There was no unfinished business to come before the Board at this time.

AGENDA ITEM # 4

2020 AUDIT REPORT: Chairman Sox called on Mr. Terry McMichael to present the Cooperative's 2020 Audit report. The Audit Committee met just prior to the meeting. Mr. McMichael stated that the Cooperative's financial statements fairly presented its financial position, as of December 31, 2020, in accordance with Generally Accepted Accounting Principles (GAAP). He then reviewed and explained the Balance Sheet, the Statement of Revenue (margin statement), and the Statement of Cash Flows.

Mr. McMichael next called attention to the various notes to the financial statements which gave more information and explanation about those statements. He advised that all notes had been carefully reviewed with the Audit Committee. Mr. McMichael concluded his presentation by reviewing a separate management letter. The management letter stated that the Cooperative's Form 7 financial report dated December 31, 2020, was in agreement with the Cooperative's audited records.

Mr. Risinger thanked Mrs. Crepes and her staff for all of the work that went into providing the documentation needed for the Audit Report. The Audit Committee reports that it is a good Audit Report. The Committee makes a motion for the Board to approve the report, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 5

DEPARTMENTAL REPORTING:

FINANCE AND ACCOUNTING: Chairman Sox called on Mrs. Crepes for the Finance and Accounting report. Mrs. Crepes reported the revenue was \$11,282,344, which is \$1,335,585 below budget at the end of January. The cost of wholesale power was \$7,088,444, which is under budget by \$925,022. The margins for January were \$466,585 which is \$12,292 below budget. Mrs. Crepes reported that equity was 23.66% at the end of the month for a decrease of -0.03%. She then reported the deferred credits account balance changed by \$738,904, and the ending balance was \$1,645,347.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,980 kWh in January. Mid-Carolina's average bill was \$226.47 (account charge \$29.45) compared to Dominion's \$226.96 (account charge \$9.00), Duke – Carolina's \$222.14 (account charge \$11.96), and Duke – Progress \$216.50 (account charge \$11.78). Mrs. Crepes reported that CarolinaConnect paid Mid-Carolina \$176,206 in fiber access fees. There were no further questions or comments, and Chairman Sox thanked Mrs. Crepes for her report.

OPERATIONS: Chairman Sox called on Mr. Wilbur for the Operations report. Mr. Wilbur reported the locations and the service district that the Mid-Carolina and Contractor crews worked in January. The right-of-way crews are still working in the Circle, Leesville and Coldstream areas. There were 114 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Gilbert area. He then gave an update of the ongoing SCDOT Projects. There were no further questions or comments, and Chairman Sox thanked Mr. Wilbur for his report.

ENGINEERING: Chairman Sox called on Mr. Ayers for the Engineering report. Mr. Ayers reported that the routine inspection and maintenance was completed in January. There were 5 additional electronic line reclosers connected to the SCADA system via the fiber optic cable system during the month. This now has 144 out of 241 recloser locations on SCADA, and the plan is to have them all on this year. Mr. Ayers reviewed the status of fiber optic construction in subdivisions.

Mr. Ayers then showed a chart graphing kWh purchased each month year-to-date from 2017-2021 with a five year running average. The next chart showed the kW Demand purchased each month year-to-date from 2017-2021 with a five year running average. The monthly outage report and notes for January were discussed. There were no further questions or comments, and Chairman Sox thanked Mr. Ayers for his report.

MEMBER SERVICES: Chairman Sox called on Mr. Simpson for the Member Services report. Mr. Simpson reported on several recent community events. He reminded everyone that the Enlighten SC local winner will be selected this week on February 26, 2021. There will be one overall winner for the state announced on April 9, 2021. Mr. Simpson discussed several ways the Cooperative will be connecting with the community over the next couple of months. The 2021 Touchstone Energy applications are available until March 19, 2021. The 2021 Youth Tour and Summit will be virtual, similar to the 2020 format, and it is called Virtual Youth Experience. Mr. Simpson discussed the *South Carolina Living* schedule through May 2021. There were no further questions or comments, and Chairman Sox thanked Mr. Simpson for his report.

INFORMATION TECHNOLOGY: Chairman Sox called on Mr. Sturkie for the Information Technology report. Mr. Sturkie reported there were 32,163 accounts enrolled in SmartHub as of February 1, 2021, which represents 55.5% of active accounts enrolled. In January, 78.7% of all payment transactions were made electronically, and 5.4% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 54.2% of January payments were made by Credit Card. Mr. Sturkie showed a comparison of the number of payment transactions made via the drive-thru window at the Lexington and Dutch Fork offices in January 2021 with 3,579 total payments compared to January 2020 with 5,015 total payments. There were 2,636 people on Pay As You Go, as of January 31, 2021. Mr. Sturkie then gave an update on the Cooperative's Cyber Security. There were no further questions or comments, and Chairman Sox thanked Mr. Sturkie for his report.

ADMINISTRATION: Chairman Sox called on Mrs. Ross-Bell for the Administration report. Mrs. Ross-Bell referred to the monthly Operation Round-Up report. In January, the Trust Board approved 12 applications out of 21 for a total distribution of \$23,833. The Trust Fund balance at the end of the month was \$10,708.

Mrs. Ross-Bell reviewed the Board calendars through April 2021. She discussed the letter that will be mailed to the Member Advisory Committee members the first week in March. Since the Committees cannot meet, the letter will provide an update on the Cooperative and introduce the new logo. Mr. Paulling discussed the Cooperative's 2021 Annual Meeting. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 6

PRESIDENT'S REPORT: Chairman Sox called on Mr. Paulling for his report. Mr. Paulling reported there were no recordable accidents in January. He then gave the employment report stating there was a transfer of a Member Services Representative to a Member Services Clerk. Mr. Paulling reported there were four new hires, a Fiber Splicer/Construction Technician and three Member Service Representatives. There is still ongoing recruitment for several Line Technicians and a Fleet Technician II.

Mr. Paulling next reviewed the Pay As You Go Terms and Conditions in English and Spanish that need to be added to the Service Rules and Regulations. Mr. Risinger made a motion to approve this addition to the Cooperative's Service Rules and Regulations. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 2

In light of recent events in Texas with power shortages and spiking power cost, Mr. Paulling gave an overview of the North American Power Grid and how Texas is basically an island on its own. Then he explained the configuration of the Power Grid in the Southeast and how Duke, Dominion, and Santee Cooper are interconnected to the entire Southeast Region. Mr. Paulling next gave an update on Santee Cooper. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

AGENDA ITEM # 7

ATTORNEY'S REPORT: Chairman Sox called on Mr. Paulling for the legal report, since Mr. Black is in court. Mr. Paulling discussed several pending legal matters on Mr. Black's report. After the report, Mr. Black joined the meeting by Zoom, and answered questions. There was no further questions or comments, and Chairman Sox thanked Mr. Paulling and Mr. Black for the report.

AGENDA ITEM # 8

CHAIRMAN'S REPORT: Chairman Sox had nothing to report at this time.

AGENDA ITEM # 9

COMMITTEE REPORTS: Chairman Sox stated the Audit Committee report was given earlier. There were no other committee reports at this time.

AGENDA ITEM # 10

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect has over 13,500 customers (Mid-Carolina 10,000 and Newberry 3,500). He then reported at yesterday's CarolinaConnect Board Meeting, Aiken Electric Cooperative was accepted as a member of CarolinaConnect.

Mr. Frick reported that Central's Annual Meeting will be held March 10, 2021. Mr. Risinger reported that he attended orientation as a new board member for Central earlier in the month.

Ms. Kirkland reported that CEEUS is doing well. CEEUS's, President and CEO, Mr. Capps, wants to grow the Line Equipment Company, and he is currently working on their website. Ms. Kirkland stated that Statewide has a web page regarding the COVID-19 vaccine. She reported that the Office of Regulatory Staff "ORS" has done an audit on all of the Cooperative's Board information that is available on each Cooperative website. Each Cooperative's Bylaws will be the next audit performed by the ORS.

Chairman Sox reported that everything is going well with Federated, and their insurance claims are down.

Mr. Paulling reported that the SC Power Team is doing well. There were no other reports at this time.

AGENDA ITEM # 11

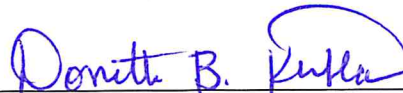
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Shealy to enter into executive session. The motion was seconded by Mr. Risinger and unanimously passed.

AGENDA ITEM # 12

EXECUTIVE SESSION: There was no action taken during the executive session.

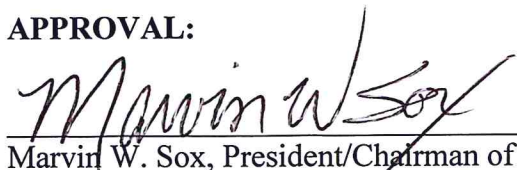
AGENDA ITEM # 13

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:20 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on January 27, 2021; and

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the special called meeting held on February 3, 2021;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the regular meeting held on January 27, 2021, and the special called meeting held on February 3, 2021, as presented.

I, Donette B. Kirkland, Secretary of Mid-Carolina Electric Cooperative, Inc. do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. at a regular meeting duly assembled on the 24th day of February 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, Mr. Paulling proposed adding the Pay As You Go Terms and Conditions to the Cooperative's Service Rules and Regulations; and

WHEREAS, the Pay As You Go Terms and Conditions has an English version and a Spanish version; and

WHEREAS, after due consideration, the Board of Trustees concurs with Mr. Paulling's recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the Pay As You Go Terms and Conditions be added to the Service Rules and Regulations in English and Spanish, and they are attached hereto.

I, Donette B. Kirkland, Secretary of Mid-Carolina Electric Cooperative, Inc. do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. at a regular meeting duly assembled on the 24th day of February 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary



Mid-Carolina Electric Cooperative, Inc.

Pay As You Go/Terms and Conditions of Service



As a new member, I understand the following charges are to be paid before electric service will be connected: \$15.00 membership fee, \$35.00 Setup fee, and a minimum \$50.00 starting credit balance for a total of \$100.00.

As an existing member, I understand when my account is converted to Pay As You Go, the total amount owed through the current reading will be calculated. This will provide a starting balance and determine the amount needed to have the required credit balance. Any existing deposit (if applicable) will be applied towards outstanding balances first, and any remaining credit will be applied to the account balance.

Arrangements are available to members who are unable to pay any outstanding balance while establishing a Pay As You Go account. Once an arrangement is placed on the account, 30% of each payment will be applied towards the arrangement amount and 70% will apply towards the Pay As You Go balance. Once the arrangement amount has been paid in full, 100% of payments will then apply towards the Pay As You Go balance. Mid-Carolina Electric reserves the right to change or modify any percentage on a Pay As You Go arrangement balance.

I WILL NOT RECEIVE A MONTHLY BILL OR STATEMENT

 Pay As You Go requires the account to have a credit balance at all times. A Pay As You Go account will be subject to disconnection any time the account does not have a credit balance. Medical conditions, a Special Medical account designation and/or inclement weather will not postpone disconnection of service. If your service is designated as a Special Medical account you are encouraged to secure a back-up source of power. If a return payment is received, the amount of the return item and any return item fee will be charged to the member's account immediately. If this causes the credit on the account to be depleted, service will be subject to immediate disconnection without any notifications. The cooperative has the right to refuse payment by check or credit card if the account has a return item.

 I understand that Pay As You Go accounts are not eligible for payment extensions, budget billing, or bank draft.

Payments can be made in the office 8:00am-5:00pm, Monday through Friday, by phone at 803-749-6500 or 888-850-6770, through the web at <http://www.mcecoop.com/> or through SmartHub at <https://mcecoop.smarthub.coop/Login.html>. *There is a \$10.00 minimum payment amount. If services are disconnected due to a positive balance on your account, services will be reconnected once a payment has been received and a minimum credit balance of \$10.00 is established.*

 I understand that at any time I may elect to convert my account to standard billing. MCEC will require full payment and may require a deposit as a condition of continued service.

 I understand and agree that any amount owed to the Cooperative by me (us) or any person residing with me(us), at this location may be transferred to and collected from my (our) account. Any adjustment added to the account after service has started may be eligible for an arrangement stated above, or may cause a credit balance to be depleted, therefore, the account may be up for immediate disconnection without any notifications.

If service is disconnected at the request of the member or for nonpayment and remains disconnected for 10 days, the account will be closed and final billed. Accounts will receive a refund of any remaining credit on the account along with a refund of the membership fee. If a balance is still owed at that time, a final bill will be mailed to the last known address and payment is expected immediately to keep the account from being reported to a credit bureau. I understand these terms and conditions and I am requesting to establish a Pay As You Go account from MCEC. I also understand that it is my responsibility to maintain a credit balance to continue service. I understand that I can manage my usage and account balance through SmartHub, calling or visiting the office during office hours.

CIN#: _____ Name: _____

Account#: _____ Signature: _____ Date: _____



Mid-Carolina Electric Cooperative, Inc.

Pay As You Go/ Términos y Condiciones de Servicio



Como un nuevo miembro, entiendo que los siguientes cargos deben pagarse antes de que se conecte el servicio eléctrico: \$15.00 cuota de membresía, cuota de configuración de \$35.00 y un saldo de crédito inicial mínimo de \$50.00 por un total de \$100.00.

Como miembro existente, entiendo que cuando mi cuenta se convierte a Pay As You Go, el monto total adeudado a través del se calculará por la lectura actual. Esto proporcionará un saldo inicial y determinará la cantidad necesaria para tener el saldo de crédito. Cualquier depósito existente (si aplicable) se aplicará primero a los saldos pendientes, y al crédito restante se aplicará a la cuenta.

Los acuerdos están disponibles para los miembros que no pueden pagar ningún por sus saldo pendiente al establecer Pay As You Go. Una vez que se coloca un acuerdo en la cuenta, el 30% de cada pago se aplicará al monto del acuerdo y el 70% se aplicará al saldo de Pay As You Go. Una vez que el monto del acuerdo se haya pagado en su completo, el 100% de los pagos se aplicará al saldo de Pay As You Go. Mid-Carolina Electric se reserva el derecho de cambiar o modificar cualquier porcentaje en el saldo de un acuerdo de pago por uso.

NO RECIBIRÉ UNA FACTURA MENSUAL O DECLARACIÓN

Pay As You Go requiere que la cuenta tenga un saldo acreedor en todo momento. Una cuenta Pay As You Go estará sujeta a desconexión siempre que la cuenta no tenga un saldo acreedor. Las condiciones médicas, la designación de una cuenta médica especial y / o las inclemencias del tiempo no pospondrán la desconexión del servicio. Si su servicio está designado como una cuenta médica especial, se le recomienda que asegure una fuente de energía de respaldo. Si se recibe un pago de devolución, el monto del artículo devuelto y cualquier tarifa por artículo devuelto se cargarán a la cuenta del miembro de inmediato. Si esto hace que se agote el crédito de la cuenta, el servicio estará sujeto a la desconexión inmediata sin ninguna notificación. La cooperativa tiene derecho a rechazar el pago con cheque o tarjeta de crédito si la cuenta tiene un artículo devuelto.

Entiendo que las cuentas de Pay As You Go no son elegibles para extensiones de pago, facturación de presupuesto, o letra bancaria. Los pagos de asistencia de energía se aplicarán cuando MCEC haya recibido el pago. No se aceptarán compromisos de asistencia para mantener el servicio activo.

Los pagos se pueden hacer en la oficina de lunes a viernes de 8:00 a.m. a 5:00 p.m., por el teléfono al 803-749-6500 o al 888-850-6770, o a través de la web en <http://www.mcecoop.com/> o a través de SmartHub en <https://mcecoop.smarthub.coop/Login.html>. Hay una cantidad mínima de pago de \$10.00. Si los servicios están conectados debido a un saldo positivo en su cuenta, los servicios se volverán a conectar una vez que se haya recibido el pago y se establezca un saldo de crédito mínimo de \$10.00.

Entiendo que en cualquier momento puedo elegir convertir mi cuenta a facturación estándar. MCEC requerirá el pago completo y puede requerir un depósito como una condición de servicio continuo.

Entiendo y acepto que cualquier monto que debamos a la Cooperativa por mí (nosotros) o cualquier persona que resida conmigo (nosotros), en esta lugar puede ser transferido y recogido de mi (nuestra) cuenta. Cualquier ajuste agregado a la cuenta después de que el servicio haya comenzado puede ser elegible para un acuerdo mencionado anteriormente, o puede hacer que se agote el saldo de un crédito, y por lo tanto, la cuenta puede estar lista para la desconexión inmediata sin ninguna notificación.

Si el servicio se desconecta a solicitud del miembro o por falta de pago y permanece desconectado durante 10 días, la cuenta se cerrará y se facturará la última vez. Las cuentas recibirán un reembolso de cualquier crédito restante en la cuenta junto con un reembolso de la cuota de membresía. Si hay un saldo en ese momento, se enviará por correo una factura final a la última dirección conocida y se espera que el pago evite que la cuenta se reporte a una agencia de crédito.

Entiendo estos términos y condiciones y solicito establecer una cuenta Pay As You Go de MCEC. También entiendo que es mi responsabilidad mantener un saldo de crédito para continuar el servicio. Entiendo que puedo gestionar mi uso y el saldo de mi cuenta a través de SmartHub, llamando o visitando la oficina durante las horas de negocios.

CIN# _____ Nombre y apellidos: _____

Cuenta# _____ Firma: _____ Fecha: _____