

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

DECEMBER 21, 2020

AGENDA ITEM # 1

CALL TO ORDER:
(1:00 p.m.)

Marvin W. Sox, President/Chairman
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
Keith D. Sturkie, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Bob Paulling

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order and asked if there were any corrections, additions or deletions to the minutes of the regular monthly meeting held on November 24, 2020. There were no corrections to these minutes, and Mr. Shealy made a motion to approve the minutes, as presented. The motion was seconded by Mr. Bedenbaugh 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

DEPARTMENTAL REPORTING:

FINANCE AND ACCOUNTING: Chairman Sox called on Mrs. Crepes for the Finance and Accounting report. Mrs. Crepes reported year-to-date revenue was \$117,297,215, which is \$6,784,373 below budget at the end of November. The year-to-date cost of wholesale power was \$71,518,409, which is under budget by \$3,626,663. Year-to-date margins were \$4,024,667, which is \$226,125 below budget. Mrs. Crepes reported that equity was 23.77% at the end of the month for an increase of 0.30%. She then reported the deferred credits account balance changed by \$571,023, and the ending balance was (\$640,386).

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,165 kWh in November. Mid-Carolina's average bill was \$146.80 (account charge \$28.50) compared to Dominion's \$139.04 (account charge \$9.00), Duke – Carolina's \$132.78 (account charge \$11.96), and Duke – Progress \$135.94 (account charge \$11.78). Mrs. Crepes discussed the year-to-date amount of \$1,103,502 that CarolinaConnect has paid Mid-Carolina 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 November. The right-of-way crews have completed their work in the Pelion area, and they are still working in the Circle, South Congaree and Spring Hill areas. There were 207 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 November. He stated that oil samples from power transformers and voltage regulators in all of our substations, and critical spares, were collected and sent for laboratory analysis. Test results are expected back near year end. Mr. Ayers then gave an update on the fiber optic construction in subdivisions.

Mr. Ayers then showed a chart graphing kWh purchased each month year-to-date from 2015-2020 with a five year running average. The next chart showed the kW Demand purchased each month year-to-date from 2015-2020 with a five year running average. The monthly outage report and notes for November were discussed. Mr. Ayers presented the Utilities Services Contractors, Inc. contract for 2021 fiber services with a minimal increase, as information for the Board. 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 stated the Enlighten SC book submissions are due January 29, 2021, and each Cooperative will select a local winner by February 26, 2021. There will be one overall winner for the state announced on April 9, 2021. The 2021 Touchstone Energy applications will be available January 1 – March 19, 2021. The 2021 Youth Tour and Summit will be virtual similar to the 2020 format. Mr. Simpson discussed the *South Carolina Living* schedule through April 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 31,628 accounts enrolled in SmartHub as of December 1, 2020, which represents 54.7% of active accounts enrolled. In November, 76.7% 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 51.2% of November 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 November 2020 with 3,172 total payments compared to November 2019 with 4,261 total payments. There were 2,574 people on Pay As You Go, as of November 30, 2020. Mr. Sturkie then gave an update on the Cooperative's NiSC iVue upgrade and 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 November, the Trust Board approved 25 applications out of 34, and donations were doubled again for the Christian Ministries for a total distribution of \$38,650. The Trust Fund balance at the end of the month was \$13,650. Mrs. Ross-Bell reviewed the Board calendars through February 2021. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 5

PRESIDENT'S REPORT: Chairman Sox called on Mr. Paulling for his report. Mr. Paulling reported there were no recordable incidents in November. He then gave the employment report stating there were three promotions from within the Cooperative effective December 28, 2020, for the following positions: Energy Services Specialist (new position in 2020 Budget); Payroll Specialist and System Operator, both due to voluntary resignations. There is now ongoing recruitment for two Member Services Representatives, a Financial Assistant, four linemen, and a Fiber Splicer/Construction Technician.

Mr. Paulling presented the two 2021 McCall-Thomas Engineering Company, Inc. contracts for Board approval. One is for the annual general engineering services, and one is for emergency restoration services. Mr. Frick made a motion for the Cooperative to use McCall-Thomas Engineering in 2021 pursuant to the proposed contracts. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 2

Mr. Paulling gave an update on the lobby renovations at both offices. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

AGENDA ITEM # 6

ATTORNEY'S REPORT: Chairman Sox called on Mr. Black for the legal report. Mr. Black discussed several pending legal matters. There was no further questions or comments, and Chairman Sox thanked Mr. Black for his report.

AGENDA ITEM # 7

CHAIRMAN'S REPORT: Chairman Sox presented Mr. Lunsford with his Credentialed Cooperative Director certificate. He had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated the Policy Committee met just prior to this meeting and reviewed Board Policy 200 – Insurance Coverage for Active Employees and Exhibit A – Board of Trustees Emeriti. The recommended changes from the Committee were presented in regards to the insurance coverage for active and retired Board Members. The Committee made a motion for the Board to approve the changes, as presented, and the motion passed.

See Resolution # 3

Chairman Sox called on Mr. Risinger for the Retiree Welfare Benefit Trust Committee. Mr. Risinger stated they had a brief meeting just prior to this meeting to discuss the withdrawal of \$1,247,000 from the Trust for healthcare premiums. There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox called on Mr. Paulling for the CarolinaConnect report. Mr. Paulling stated the CarolinaConnect Annual Meeting and Board Meeting will be held the next day, and the final budget numbers for 2021 will be presented for approval. CarolinaConnect's proposed budget includes increasing the \$12.50 per customer access fee to \$18.00 per customer in 2021.

Mr. Frick reported that Central's Board Meeting and Strategic Meeting is planned for January 6, 2021.

Ms. Kirkland stated that the CEE-US and ECSC meetings held in person went well on December 8, 2020. CEE-US announced their Equipment Show is scheduled for October 13, 2021.

Mr. Shealy stated that the ECSC Trustee Association has cancelled the in person meeting scheduled for April 6-8, 2021, in Myrtle Beach.

Chairman Sox reported that everything is going well with Federated, and they presented a check to Statewide earlier this month.

Mr. Paulling reported that the SC Power Team is doing well, and the next Board Meeting is in January 2021.

Chairman Sox called on Mr. Lunsford to discuss the NRECA online class he took earlier in the month. There were no other reports at this time.

AGENDA ITEM # 10

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 Ms. Kirkland to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 11

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

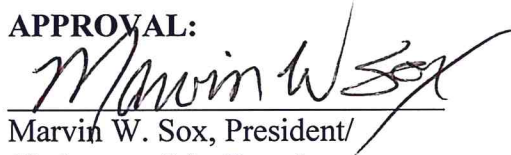
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 3:15 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/
Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

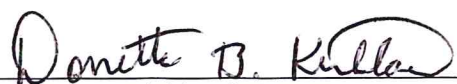
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on November 24, 2020;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for November 24, 2020, 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 21st day of December 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

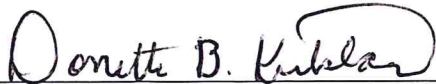
WHEREAS, Mr. Paulling recommended that the Cooperative continue to secure necessary general engineering and emergency restoration services from McCall-Thomas Engineering Company, Inc. during 2021; and

WHEREAS, Mr. Paulling presented to the Board of Trustees a proposed contract for the Electric System Design and Construction and a proposed contract for Emergency Restoration services with McCall-Thomas Engineering Co., Inc. dated as of January 1, 2021, and recommended that both said contracts be approved and executed on behalf of Mid-Carolina Electric Cooperative, Inc.; 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 aforesaid contracts with McCall-Thomas Engineering Company, Inc. dated as of January 1, 2021, and the President is hereby authorized and directed to execute the contract on behalf of Mid-Carolina Electric Cooperative, Inc.

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 21st day of December 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

WHEREAS, the Policy Committee presented changes to Board Policy 200 – Insurance Coverage for Active Employees and Exhibit A – Board of Trustees Emeriti; and

WHEREAS, these recommended changes include insurance coverage guidelines for active and retired Board, which is the same for active and retired employees; and

WHEREAS, Board of Trustees discussed and approved the recommended changes from the Policy Committee;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended changes from the Policy Committee in regards to the healthcare coverage for active and retired Board Members, as presented, with an effective date of January 1, 2021.

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 21st day of December 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES POLICY 200**

SUBJECT: INSURANCE COVERAGE FOR ACTIVE TRUSTEES

I. OBJECTIVE

To provide benefits to Board Members as compensation for their active attendance at meetings and events of the Cooperative and to enable Board Members to more adequately plan for insurance coverage for themselves and their families.

II. POLICY CONTENT

A. The Cooperative offers the following insurance coverages to active members of the Board of Trustees sitting on the Board, ~~as of January 1, 2018.~~

- 1) Medical PPO and Prescription Drug Plan
 - Coverage is available to Trustee/Eligible Dependents
 - Paid in part by Trustee – Same as Active Employees (90/10 for single and 80/20 for family/spouse)
- 2) High Deductible Health and Prescription Drug Plan (HDHP)
 - Coverage is available to Trustee/Eligible Dependents
 - Paid in part by Trustee – Same as Active Employees (90/10 for single and 80/20 for family/spouse)
 - Must be on Medicare PPO and Prescription Drug Plan one year before turning 65
- 3) ~~Medicare Part D Supplemental~~ – Required transition at age 65
 - Must be on Medicare PPO and Prescription Drug Plan one year before turning 65
 - Paid in part by Trustee – Same as Active Employees (90/10 for single)
 - 90/10 -zero percent paid for dependent- single spouse coverage until age 65, when they are required to transition to Medicare. Same as Retired Employees
 - When both reach age 65, the supplement coverage is paid 80/20 for family.
- 4) Dental Plan
 - Coverage is available to Trustee/Eligible Dependents
 - Paid in part by Trustee – Same as Active Employees (90/10 for single and 80/20 for family/spouse)
- 5) Vision Plan
 - Coverage is available to Trustee/Eligible Dependents
 - Paid in full by Trustee – Same as Active Employees
- 6) Director Life
 - Trustee Only
 - Paid by Cooperative

7) Business Travel Accident Insurance

- Trustee Only
- Paid by Cooperative

8) Director AD&D

- Paid by Cooperative

~~B. Surviving spouses and eligible dependent children of deceased active Trustees are eligible for continued coverage under the Mid-Carolina group medical plan, but only if these individuals were covered under this plan immediately prior to the death of the active Trustee and those individuals must pay the full plan premium.~~ will continue to pay 90/10 for single or 80/20 for family coverage.

C. Trustees should consult the applicable Summary Plan Description (“SPD”) for more information about these insurance benefits. The Summary Plan Description for the Mid-Carolina group medical plan is available from Human Resources.

D. Any required premium for insurance coverage will be deducted from the Trustees’ monthly per diem payments.

E. At the end of their service on the Board, if Trustee qualifies as a Trustee Emeritus according to **Exhibit A** of this Policy, then Trustee may continue to receive insurance benefits per **Exhibit A**.

F. If a Trustee is removed by the members pursuant to Article IV Section 6 of the Cooperative’s Bylaws then the Trustee and the Trustee’s dependents cease to be eligible for any benefits (including those for Trustees Emeriti) provided under this Policy and Exhibit A.

G. If a Trustee is suspended by the Board of Trustees pursuant to Article IV Section 7 of the Cooperative’s Bylaws and the Trustee is not re-instated to the Board nor re-elected by the members within thirteen months from the suspension then the Trustee and the Trustee’s dependents cease to be eligible for any benefits provided to active Trustees or to Trustees emeriti provided under this Policy and Exhibit A.

H. Although Mid-Carolina currently intends to provide Medical Coverage and Prescription Drug Coverage to active Trustees and Trustee Emeriti in accordance with the SPD indefinitely, Mid-Carolina reserves the right to amend or terminate such coverage at any time. The terms of this Policy are incorporated into and made a part of the SPD.

III. EFFECTIVE DATE

This policy takes effect on ~~January 24, 2018~~; January 1, 2021.

IV. RESPONSIBILITY

The Board of Trustees is responsible for the administration of this policy.

Note: If there is any discrepancy in the benefits stated in this policy or handbook and the actual plan, the plan document will prevail. Refer to your Summary Plan Description (SPD) for additional information on insurance or retirement plans or direct any questions to Human Resources.

EXHIBIT A TO BOARD POLICY 200

SUBJECT: BOARD OF TRUSTEES EMERITI

I. OBJECTIVE

To provide medical insurance benefits as compensation for retired Trustees who qualify for Trustee Emeritus status, in recognition of their prior active attendance at meetings and events of the Cooperative and to enable Trustee(s) to more adequately plan for insurance coverage for themselves and their family.

II. POLICY CONTENT

- A. A Trustee is eligible for retirement status upon the end of their service on the Board and is considered to be a Board of Trustee Emeritus if all of the following criterion is met:
- Trustee attended 90% or more of all meetings and required events;
 - Trustee has served 10 or more consecutive years on the Board; and
 - Is ~~62~~ 60 years of age or older at the end of their service on the Board.

CONTINUED MEDICAL INSURANCE COVERAGE

- B Continued medical insurance under the Mid-Carolina group medical plan is available to eligible Board of Trustee Emeriti and their dependents on the same basis as provided to retired employees. You should consult the Summary Plan Description for the Mid-Carolina group medical plan, which is available from Human Resources.
- C. The Cooperative offers the following coverages to Board of Trustees Emeriti:
- 1) Medical PPO and Prescription Drug Plan
 - Trustee Emeritus and Spouse under age 65
 - Paid in part by Trustee—Same as Retired Employees(90/10 for single and 80/20 for family/spouse)
 - 2) High Deductible Health and Prescription Drug Plan (HDHP)
 - Coverage is available to Trustee and Spouse under age 65
 - Must transition to the Medical PPO and Prescription Drug Plan one year before turning 65
 - Paid in part by Trustee—Same as Retired Employees(90/10 for single and 80/20 for family/spouse)
 - 3) Medicare ~~Part D~~ Supplemental – Required transition at age 65
 - Must transition to the Medical PPO and Prescription Drug Plan one year before turning 65
 - Paid in part by Trustee – Same as Retired Employees
 - ~~zero percent paid for dependent~~ Cooperative pays 90/10 for single or 80/20 for family coverage until they reach age 65, and they are required to transition to Medicare. Spouse coverage is available at age 65, if paid at 100% by the Retiree. Same as Retired Employees

- 4) Dental Plan
 - Trustee Emeritus and Spouse
 - Paid in full by Trustee Emeritus – Same as Retired Employees
- 5) Vision Plan
 - Coverage ceases upon retirement
- 6) Director Life
 - Coverage ceases upon retirement
- 7) Business Travel Accident Insurance
 - Coverage ceases upon retirement
- 8) Director AD&D
 - Coverage ceases upon retirement
- D. Surviving spouses and eligible dependent children of deceased Trustee Emeriti are eligible for continued coverage under the Mid-Carolina group medical plan, but only if these individuals were covered under this plan immediately prior to the death of the Trustee Emeritus and those individuals must pay the full plan premium; will continued to be covered at 90/10 for single or 80/20 for family.
- E. This continued coverage is available to a Trustee Emeritus and their dependents qualifying for or receiving such coverage as of January 1, 2018. The continued coverage offered to Trustee Emeriti prior to December 31, 2020, is grandfathered for the purposes of this policy.

III. RESPONSIBILITY

The Board of Trustees is responsible for the administration of this policy.

Note: If there is any discrepancy in the benefits stated in this policy or handbook and the actual plan, the plan document will prevail. Refer to your Summary Plan Description (SPD) for additional information on insurance or retirement plans or direct any questions to Human Resources.