

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

August 23, 2021

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 E. Lindler
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
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: Donette Kirkland

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order. He then asked if there were any corrections, additions or deletions to the minutes of the regular monthly meeting held on July 28, 2021. There were no corrections, and Mr. Shealy made a motion to approve the minutes, as presented. The motion was seconded by Mr. Lindler 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 the year-to-date revenue was \$75,937,558, which is \$4,690,401 below budget at the end of July. The year-to-date cost of wholesale power was \$45,869,706, which is under budget by \$2,828,379. The year-to-date margins were \$3,306,245 which is \$2,370 below budget. Mrs. Crepes reported that equity was 22.42% at the end of July for a decrease of -0.35%. The deferred credits account balance changed by \$1,501,199, and the ending balance was \$4,151,792.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,863 kWh in July. Mid-Carolina's average bill was \$200.06 (account charge \$28.50) compared to Dominion's \$234.78 (account charge \$9.00), Duke – Carolina's \$211.00 (account charge \$11.96), and Duke – Progress \$214.41 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 19,048 kWh. Mid-Carolina's average annualized bill was \$2,194.59 (account charge \$346.75) compared to Dominion's \$2,309.16 (account charge \$108.00), Duke – Carolina's \$2,216.18 (account charge \$143.52), and Duke – Progress \$2,196.08 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received fiber income from CarolinaConnect in the amount of \$1,236,239 year-to-date. 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 July. The right-of-way crews are still working in the Circle, Leesville, Lake Murray and Irmo areas. There were 159 dead trees cut during the month. Mr. Wilbur stated the System Inspectors have completed their work at the Barr and Owens Substations and are now working in the Edmund Substation area. He reported that Tomberlin Pole inspectors have completed their inspection and treatment for 2021. There were 9,351 poles inspected with less than 1% failure rate (90 poles were rejected – 54 rotten at base, 31 split and 5 others). Mr. Wilbur 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. Paulling for the Engineering report. Mr. Paulling reported that the routine inspection and maintenance was completed in July. There were 4 additional electronic line reclosers connected to the SCADA system via the fiber optic cable system during the month. This now has 210 out of 236 recloser locations on SCADA. Mr. Paulling discussed the status of fiber optic construction in subdivisions. He 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 July were discussed. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the report.

MEMBER SERVICES: Chairman Sox called on Mr. Simpson for the Member Services report. Mr. Simpson reported on several upcoming community events. Mr. Simpson discussed the Cooperative's recent Digital and Print Messaging regarding hunter safety around power equipment. He next discussed the *South Carolina Living* schedule through November/December 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 33,698 accounts enrolled in SmartHub as of August 1, 2021, which represents 57.8% of active accounts enrolled. In July, 79.6% of all payment transactions were made electronically, and 5.1% of payment transactions were entered manually through the Cooperative's cash-drawer application. Mr. Sturkie reported that 54.0% of July payments were made by Credit Card.

Mr. Sturkie then showed a comparison of the number of payment transactions made via the drive-thru window at the Lexington and Dutch Fork offices in July 2021 with 3,248 total payments compared to July 2020 with 3,253 total payments, and July 2019 with 4,908 total payments. There were 2,744 people on Pay As You Go, as of July 31, 2021. Mr. Sturkie 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 July, the Trust Board was not scheduled to meet, and the Christian Ministry donations were doubled for a total distribution of \$12,021. The Trust Fund balance at the end of the month was \$62,557. Mrs. Ross-Bell stated the Cooperative's Community Outreach Employee Team helped to put together 250 Kids Bags that will be delivered to schools within the Cooperative's service territory over the coming weeks. These bags are for children that fall under the McKinney Vento Homeless Assistance Act.

Mrs. Ross-Bell reviewed the Board calendars through November 2021. She stated that due to the increase in the COVID-19 numbers, the Member Advisory Committee meeting that was previously scheduled for October 12, 2021, is now tentatively being moved to November 2, 2021. A final decision on having the Member Advisory Committee meeting in person will be made at the September 22, 2021 meeting. 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 accidents in July. He gave the employment report and stated a Member Services Clerk has given her retirement notice for January 2022.

Mr. Paulling presented a recommended change to the Service Rules and Regulations Rate Schedule P – Pay As You Go Rider. The On-Peak Charge will now be calculated based on “the sum of the three hours of On-Peak energy (kWh) for each billed date. The On-Peak energy used will be charged at \$0.38 per kWh with an effective date for those accounts that qualify and are billed on, or after September 1, 2021. Mr. Shealy made a motion to approve the recommendation, as presented. The motion was seconded by Ms. Kirkland and unanimously passed.

See Resolution # 2

Mr. Paulling then made a recommendation that the Cooperative renew the contract with CPA firm McNair, McLemore, Middlebrooks & Company for an additional five years. The contract would include the Cooperative's annual audit for years ending 2021, 2022, 2023, 2024 and 2025. Mr. Risinger made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Best and unanimously passed.

See Resolution # 3

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 gave a brief report on several pending legal matters. He discussed the Covid-19 risk management and protocols. There were no further questions or comments, and Chairman Sox thanked Mr. Black for his report.

AGENDA ITEM # 7

CHAIRMAN'S REPORT: Chairman Sox read several thank you notes. He then stated that the Board needs to select a Voting Delegate and Alternate for NRECA's Regional Meeting that will be held on October 6, 2021 in Birmingham, AL. Mr. Lunsford made a motion for Mr. B. Robert Paulling to serve as the Voting Delegate, and Mr. Marvin W. Sox to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 4

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox stated the Compensation Committee met just prior to this meeting to review the CEO appraisal. A full report will be discussed during executive session.

Chairman Sox next called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that the Board received Policy 108 – Anti-Harassment and Policy 109 – Reporting Policy Violations for Illegal Conduct and Anti-Retaliation (Whistle Blower) prior to the meeting for review. There were no recommended changes to either of these policies, and they will reflect that they were reviewed by the Board. Chairman Sox thanked Ms. Kirkland for her report. There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox reported that CarolinaConnect passed 15,000 customers earlier this month. Their Board Meeting is scheduled for August 31, 2021.

Mr. Risinger reported that he attended a Finance, Audit and Risk Committee meeting earlier today, just prior to this meeting, and everything is going well.

Ms. Kirkland reported that on the 2022 Budget for CEEUS and Line Equipment was approved at the meeting held on August 5, 2021. The CEEUS Equipment Show is still on schedule for October 13, 2021.

Ms. Kirkland reported that Statewide discussed the Electrification of Economy and created a Committee, E²Forward to focus on energy and economy. One item this Committee will discuss is how electric vehicles will impact the cooperatives.

Chairman Sox reported that Federated is doing well. He reiterated that claims are on the rise, especially with wild fires and line contacts with employees and the general public.

Mr. Paulling reported that everything is going well with the SC Power Team.

Mr. Lindler gave a report on the NRECA online course he took since the last meeting. There were no other reports at this time.

AGENDA ITEM # 10

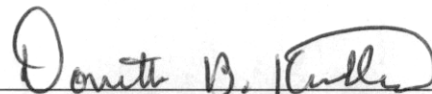
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Lindler to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 11

EXECUTIVE SESSION: During executive session, the Board conducted the annual review of the CEO. After consultation with national executive compensation firm, EleCo Solutions, the Board unanimously approved an appropriate salary increase, as recommended by the Compensation Committee.


AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:25 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 July 28, 2021; and

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 July 28, 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 23rd day of August 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 made a recommended change to the Cooperative's Service Rules and Regulations Rate Schedule P – Pay As You Go Rider; and

WHEREAS, the On-Peak Charge will now be calculated based on the sum of the three hours of On-Peak energy (kWh) for each billed date; and

WHEREAS, the On-Peak energy used will be charged at \$0.38 per kWh with an effective date for those accounts that qualify and are billed on, or after September 1, 2021.

WHEREAS, after a discussion, the Board agreed with the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves to change the Cooperative's Service Rules and Regulations Rate Schedule P - Pay As You Go Rider with an effective date for those accounts that qualify and are billed on, or after September 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 23rd day of August 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SC**

**SCHEDULE P
PAY AS YOU GO RIDER**

Availability

This rider is available in conjunction with the Cooperative's Rate Schedule D and is limited to single phase, 120/240 Volt service metered by a Form 2s, Class 200 meter or 120/208 Volt service metered by a Form 12sx, 12x or 12s Class 200 meter. The Pay As You Go Rider is not available concurrently with the Net Metering Rider.

Rate

The applicable rate per billing period shall be from the appropriate rate schedule as referenced in the Availability section above. This rider calculates and bills usage on a daily basis. The daily bill shall be determined as follows:

1. The Account Charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
2. Energy charges shall be based on the rates in the applicable rate schedules as described in the availability section above.
3. The daily On-Peak Charge shall be calculated based on the sum of the three hours of On-Peak energy (kWh) for each billed date. The On-Peak energy used will be charged at \$0.38 per kWh. On-Peak kW demand set from the previous month. The On-Peak charge will be collected on a daily basis over the next month as follows:

$$\text{Daily On-Peak Charge} = (\text{Rate D On-Peak Charge/30 days}) \times (\text{Previous Period On-Peak kW})$$

~~In the event this rider is applied to a new service the Previous Period On-Peak kW will be established from the annual average demand of the location service type.~~

Minimum Charge

The minimum charge per billing cycle under this schedule for single phase service shall be the Account Charge.

Effective Date

The rider becomes effective for those accounts that qualify and are billed on, or after September 1, 2021 ~~January 1, 2019~~, and is subject to be modified or discontinued by the Cooperative, at its sole discretion, at any time.

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

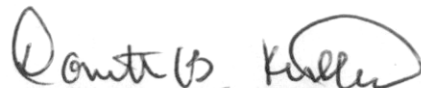
WHEREAS, Mr. Paulling recommended that the Cooperative renew the contract with CPA firm McMichael, McNair, McLemore, Middlebrooks & Company for an additional five years;

WHEREAS, Mr. McMichael will conduct the Cooperative's annual audit for years ending 2021, 2022, 2023, 2024 and 2025; and

WHEREAS, after careful consideration, the Board approved the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the Cooperative to sign a five year contract with McNair, McLemore, Middlebrooks & Company to conduct the Cooperative's annual audit.

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 23rd day of August 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

4

WHEREAS, the Board of Trustees is responsible for selecting a voting delegate and alternate for the 2021 NRECA Regional Meeting; and

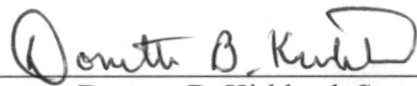
WHEREAS, the Board of Trustees desires to appoint the within named persons as voting delegate and alternate to the aforesaid meetings;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints voting delegate and alternate for the 2021 NRECA Regional Meeting as follows:

NRECA Regional Meeting

Voting Delegate	Mr. B. Robert Paulling
Alternate	Mr. Marvin W. Sox

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 23rd day of August 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary