

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

September 22, 2021

AGENDA ITEM # 1

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

Marvin W. Sox, President/Chairman
Clifford B. Shealy, Vice President/Vice Chairman
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
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: Justin Watts

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order, and he stated that Ms. Kirkland was out due to a death in her family. He then asked if there were any corrections, additions or deletions to the minutes of the regular monthly meeting held on August 23, 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. Mr. Watts made a motion to go into executive session to review the 2020 Form 990 with Mr. Terry McMichael, CPA. The motion was seconded by Mr. Lunsford and unanimously passed.

AGENDA ITEM # 4

EXECUTIVE SESSION: During executive session, Mr. Terry McMichael, CPA, was on a Zoom call to review the Cooperative's 2020 Form 990. There was no action was taken, and the Board received the review of the Form 990 as information. Mr. Risinger made a motion to reconvene into open session. The motion was seconded by Mr. Best 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 year-to-date revenue was \$87,728,872, which is \$5,686,561 below budget at the end of August. The year-to-date cost of wholesale power was \$54,265,239, which is under budget by \$2,627,138. The year-to-date margins were \$3,778,042, which is \$30,009 below budget. Mrs. Crepes reported that equity was 22.58% at the end of August for an increase of 0.16%. The deferred credits account balance changed by \$1,345,095, and the ending balance was \$5,496,887.

Mrs. Crepes and Mr. Paulling discussed the anticipation of receiving a loan forgiveness for the Paycheck Protection Program due to COVID-19 in the amount of \$3,351,830. To offset the estimated margins resulting from the loan forgiveness, Mr. Paulling recommends to increase TIER from 1.65 to 3.0 effective October 1, 2021, yielding an average TIER of 1.99 for 2021. After a lengthy discussion, Mr. Risinger made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 2

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 2,088 kWh in August. Mid-Carolina's average bill was \$208.12 (account charge \$29.45) compared to Dominion's \$263.08 (account charge \$9.00), Duke – Carolina's \$235.87 (account charge \$11.96), and Duke – Progress \$238.76 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 19,044 kWh. Mid-Carolina's average annualized bill was \$2,189.92 (account charge \$346.75) compared to Dominion's \$2,307.97 (account charge \$108.00), Duke – Carolina's \$2,195.24 (account charge \$143.52), and Duke – Progress \$2,185.70 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received fiber income from CarolinaConnect in the amount of \$1,432,339 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 August. The right-of-way crews are still working in the Circle, Leesville, Lake Murray and Irmo areas. There were 192 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Edmund Substation area. 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. Ayers for the Engineering report. Mr. Ayers reported that the routine inspection and maintenance was completed in August. There were 18 additional electronic line reclosers connected to the SCADA system via the fiber optic cable system during the month. This now has 228 out of 236 recloser locations on SCADA.

Mr. Ayers 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 August 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 stated the Mid-Carolina Electric Prize Patrol will be notifying grant winners for Bright Ideas on October 5 and 6, 2021. He discussed the walk-in stats since the offices reopened in June. Mr. Simpson reported on several recent and upcoming community events. He showed the Cooperative's recent Facebook Ads. Mr. Simpson next discussed the *South Carolina Living* schedule through January 2022. 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 33,933 accounts enrolled in SmartHub as of September 1, 2021, which represents 57.8% of active accounts enrolled. In August, 80% of all payment transactions were made electronically, and 5.2% of payment transactions were entered manually through the Cooperative's cash-drawer application. Mr. Sturkie reported that 54.3% of August 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 August 2021 with 3,229 total payments compared to August 2020 with 3,095 total payments, and August 2019 with 5,097 total payments. There were 2,826 people on Pay As You Go, as of August 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 August, the Trust Board approved 10 applications out of 14 for a total distribution of \$18,218. The Trust Fund balance at the end of the month was \$68,975.

Mrs. Ross-Bell reported that the Board needs to approve the date for the Cooperative's Annual Meeting, and the proposed date is April 8, 2022. Mr. Shealy made a motion to approve the Cooperative's 2022 Annual Meeting date, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 3

Mrs. Ross-Bell reviewed the Board calendars through December 2021. After a discussion, the decision was made to not have an in person Member Advisory Committee meeting this year, due to COVID-19. A newsletter updating the Committee on what is going on with the Cooperative will be mailed to them in October 2021. 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 was one recordable accident in August. He then discussed he employment activity and discussed the need for an additional two person Fiber Installation Crew. Mr. Paulling recommended the Cooperative hire two Fiber Technicians effective October 1, 2021. This would require an increase in the 2021 Budget of \$55,000 for a proration of salary and benefits. After a discussion, Mr. Lunsford made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 4

Mr. Paulling stated it is time to join Statewide for 2022, and select the number of issues of the *South Carolina Living* that will be mailed to our membership. He made a recommendation to join Statewide as a full member, and to continue with the 11 issue option of the magazine. A motion was made by Mr. Shealy to approve the recommendation, as presented. The motion was seconded by Mr. Lindler and unanimously passed. 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. Black for the legal report. Mr. Black gave a brief report on several pending legal matters. He discussed President Biden's COVID-19 Vaccination Plan for employers with 100 or more employees. There were no further questions or comments, and Chairman Sox thanked Mr. Black for his report.

AGENDA ITEM # 8

CHAIRMAN'S REPORT: Chairman Sox read a thank you note. Chairman Sox reported that the Board needs to select a Voting Delegate and Alternate for the CFC District Meeting that will be held at the NRECA Regional Meeting in Birmingham, AL on October 6, 2021. Mr. Watts made a motion for Mr. Marvin W. Sox to serve as the Voting Delegate and Mr. B. Robert Paulling to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 5

Chairman Sox stated that the Board needs to select a Voting Delegate for the Federated Region 2 Meeting that will be held in Birmingham, AL on October 6, 2021. Mr. Shealy made a motion that Mr. B. Robert Paulling serve as the Voting Delegate. The motion was seconded by Mr. Lunsford and unanimously passed.

See Resolution # 6

Chairman Sox reported the Board needed to appoint two Trustees to the Electric Cooperatives of South Carolina (ECSC) Board. He stated a voting delegate and an alternate would need to be selected for ECSC's Annual Meeting that will be held on December 7, 2021. Chairman Sox stated that Mr. Paulling and Ms. Kirkland currently serve as Trustees. Mr. Risinger made a motion for Ms. Donette B. Kirkland and Mr. Bob Paulling to serve as the ECSC Trustees in 2021. The motion was seconded by Mr. Watts and unanimously passed. Mr. Risinger made a motion for Ms. Donette B. Kirkland to serve as the Voting Delegate for the meeting in December 2021, and Mr. Bob Paulling to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Watts and unanimously passed.

See Resolution # 7

Chairman Sox stated the Board needed to appoint two Trustees to the CEEUS and Line Equipment Boards in 2021. Mr. Risinger made a motion to appoint Ms. Donette Kirkland and Mr. Bob Paulling to serve on both Boards. The motion also appointed Ms. Kirkland as the Voting Delegate for the CEEUS and Line Equipment meetings in December 2021, and Mr. Paulling as the Alternate Voting Delegate. The motion was seconded by Mr. Shealy and passed.

See Resolution # 8

Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 9

COMMITTEE REPORTS: Chairman Sox called on Mr. Risinger for the Retiree Welfare Benefit Trust Committee report. Mr. Risinger stated that the Trust account is still doing well. The Trust has earned back the \$1 million that was withdrawn for employee and retiree health care premium costs, and an additional \$912,320. The Committee will meet again on December 20, 2021.

Chairman Sox stated that the Board received Policy 110 – Employment by the Cooperative of Relatives of Board Members and Policy 111 – Committees of Board 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. There were no other committee reports at this time.

AGENDA ITEM # 10

ASSOCIATED MEETING REPORTS: Chairman Sox reported that CarolinaConnect now has over 15,400 customers. Their Board Meeting is scheduled for September 28, 2021.

Mr. Risinger said that Central discussed their 10 year evolution plan with power sources at their recent Board Meeting. Mr. Paulling stated that SC currently has 40% less carbon emissions since 2005. The goal for carbon reduction is to reach 47-48% by year 2027-2028.

Mr. Paulling stated that Statewide held their budget meetings during the month, and their Board Meeting will be held in October. CEEUS has been really busy trying to get the supplies needed to fulfil orders. There have been shipping delays with the effects of COVID-19.

Chairman Sox reported that Federated is doing well and financially sound. He stated the recent hurricanes caused damage to some of the coast Cooperative's offices, trucks, etc. Line contacts continue to be on the rise with cooperative employees and the public.

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

There were no other reports at this time.

AGENDA ITEM # 11

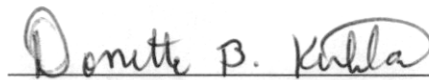
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Shealy to enter into executive session. The motion was seconded by Mr. Best and unanimously passed.

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.

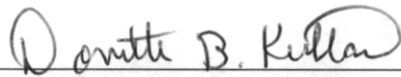
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on August 23, 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 August 23, 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 22nd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S. C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

#2

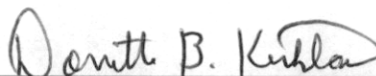
WHEREAS, the Cooperative anticipates receiving a loan forgiveness for the Paycheck Protection Program due to COVID-19 in the amount of \$3,351,830; and

WHEREAS, to offset the estimated margins resulting from the loan forgiveness, Mr. Paulling recommends to increase TIER from 1.65 to 3.0 effective October 1, 2021, yielding an average TIER of 1.99 for 2021; and

WHEREAS, after careful consideration, the Board of Trustees approves the recommendation;

NOW THEREFORE BE IT RESOLVED, by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves increasing TIER from 1.65 to 3.0 effective October 1, 2021, yielding an average TIER of 1.99 for 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 22nd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

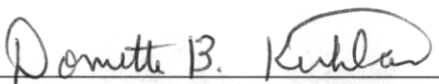
3

WHEREAS, the Board of Trustees is required by the Cooperative's Bylaws to set the date of the Annual Meeting of the members; and

WHEREAS, the Board of Trustees finds and determines that Friday, April 8, 2022, is an appropriate date to hold the 2022 Annual Meeting;

NOW THEREFORE BE IT RESOLVED, by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. that the 2022 Annual Meeting of the members of Mid-Carolina Electric Cooperative, Inc. shall be held on April 8, 2022.

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 22nd day of September 2021, at which meeting a quorum was present.


Donette B. Kirkland, Secretary

S. C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

#4

WHEREAS, Mr. Paulling discussed the need to hire an additional two person fiber crew effective October 1, 2021; and

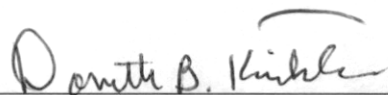
WHEREAS, Mr. Paulling requested \$55,000 be added to the 2021 Budget for two additional Fiber Technicians; and

WHEREAS, this is a proration of salary and benefits for the remaining three months in 2021; and

WHEREAS, the Board of Trustees reviewed and discussed Mr. Paulling's recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves and authorizes the addition to the 2021 Budget in the amount of \$55,000 to hire two additional Fiber Technicians this year.

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 22nd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

5

WHEREAS, the Board of Trustees is responsible for selecting a voting delegate and alternate for the 2021 CFC District 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 CFC District Meeting as follows:

CFC District Meeting

Voting Delegate

Mr. Marvin W. Sox

Alternate

Mr. B. Robert Paulling

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 22rd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

6

WHEREAS, the Board of Trustees is responsible for selecting a voting delegate for the 2021 Federated Region 2 Meeting; and

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

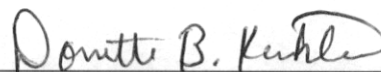
NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints voting delegate for the 2021 Federated Region 2 Meeting as follows:

Federated Region 2 Meeting

Voting Delegate

Mr. B. Robert Paulling

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 22nd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

7

WHEREAS, the Board of Trustees is also responsible for nominating two people to serve on the Board of The Electric Cooperatives of South Carolina, Inc. (ECSC); and

WHEREAS, the Board of Trustees is responsible for appointing a Voting Delegate and Alternate Voting Delegate to the Annual Meeting of ECSC; and

WHEREAS, the Board of Trustees desires to make the appointments and nominations as hereinafter stated;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby makes the following appointments and nominations:

ECSC Board Trustees for 2022

Ms. Donette B. Kirkland and Mr. B. Robert "Bob" Paulling

2021 Annual Meeting for ECSC

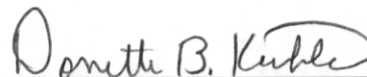
Voting Delegate

Ms. Donette B. Kirkland

Alternate Voting Delegate

Mr. B. Robert "Bob" Paulling

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 22nd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

8

WHEREAS, the Board of Trustees is also responsible for nominating two people to serve on the Board of CEEUS and Line Equipment Sales; and

WHEREAS, the Board of Trustees is responsible for appointing a Voting Delegate and Alternate Voting Delegate to the Annual Membership Meeting of CEEUS and Line Equipment Sales; and

WHEREAS, the Board of Trustees desires to make the appointments and nominations as hereinafter stated;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby makes the following appointments and nominations:

CEEUS and Line Equipment Board Trustees for 2022

Ms. Donette B. Kirkland and Mr. B. Robert "Bob" Paulling

2021 Annual Membership Meeting for CEEUS and Line Equipment

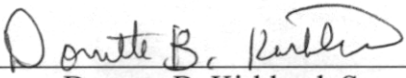
Voting Delegate

Ms. Donette B. Kirkland

Alternate Voting Delegate

Mr. B. Robert "Bob" Paulling

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 22rd day of September 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary