

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SOUTH CAROLINA
MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES
JULY 29, 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
Keith D. Sturkie, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Alan Lunsford

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 meeting held on June 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 meeting 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 \$62,545,754, which is \$4,385,245 below budget at the end of June. The year-to-date cost of wholesale power was \$36,494,922 which is under budget by \$3,794,394. Year-to-date margins were \$2,203,963, which is \$58,280 below budget. Mrs. Crepes reported that equity was 22.81% at the end of the month for a decrease of -0.05%. She then reported the deferred credits account balance changed by (\$261,931) and the ending balance was (\$1,957,666).

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,528 kWh in June. Mid-Carolina's average bill was \$178.98 (account charge \$29.45) compared to Dominion's \$189.90 (account charge \$9.00), Duke – Carolina's \$185.84 (account charge \$11.96), and Duke – Progress \$184.75 (account charge \$11.78). Mrs. Crepes discussed the year-to-date amount of \$553,558 that CarolinaConnect has paid Mid-Carolina in 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 that the Mid-Carolina and Contractor crews worked in June. The right-of-way crews are still working in the Pelion, Hollywood and South Congaree areas. There were 153 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Leesville area. The Tomberlin Pole Inspectors are still working in the Hollywood area, and 2,673 poles were inspected in June. 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. There were four additional down line reclosers added to the fiber optic network during the month, and they are now fully monitored and controlled by SCADA. Mr. Ayers stated that crews have been supporting Santee Cooper's System Metering group in preemptive change outs of 30+ year old metering transformers at Lexington and Irmo Substations. A few other substations remain to be completed in this effort.

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 June 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. Paulling for the Member Services report in Mr. Simpson's absence. Mr. Paulling gave a solar update, and stated there are 268 current solar members on the Cooperative's system. There have been 24 installations year-to-date (6 with batteries) 212 kW. Mr. Paulling stated that battery systems are growing in popularity with 7 pending applications (5 with batteries) 70 kW.

Mr. Paulling discussed the Business Lexpo that was held on July 9, 2020, at River Bluff High School. Mid-Carolina was one of the 75 vendors that participated, and there was over 300 in attendance. Mr. Paulling reported that 79 students participated in Your Tour, with South Carolina being the only state to provide a virtual version thus far. Even though the Clay Shoot was cancelled, the sponsors still donated, and the Cooperative was able to present a check to ALS check for \$13,000, and \$10,000 to the Burn Foundation of America. Mr. Paulling reported on the *South Carolina Living* schedule through October 2020. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the report.

INFORMATION TECHNOLOGY: Chairman Sox called on Mr. Sturkie for the Information Technology report. Mr. Sturkie reported there were 30,895 accounts enrolled in SmartHub as of July 1, 2020, which represents 53.8% of active accounts enrolled. In June, 74.4% of all payment transactions were made electronically, and 5.9% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 45.2% of June payments were made by Credit Card. At the Dutch Fork Office, there was 1 payment made through the Verifone in June, and there were 0 payments made through the Verifone at the Lexington Office. 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 June 2020 with 3,083 total payments compared to June 2019 with 4,267 total payments. There were 2,297 people on Pay As You Go, as of July 1, 2020. Mr. Sturkie then gave an update on the Cooperative's Windows 10 Migration 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 June, the Trust Board held their meeting via e-mail and 8 applications were approved out of 12. The Christian Ministry donations were doubled again in June for a total distribution of \$19,849. The Trust Fund balance at the end of the month was \$39,887.

The Board calendars were reviewed through December 2020. Mrs. Ross-Bell pointed out that the Strategic Planning Meeting has been rescheduled from July 30-31, 2020, to October 29-30, 2020. The November meeting was scheduled for November 24, 2020, and the December meeting was scheduled for December 21, 2020. 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 June. He discussed how COVID-19 has impacted the Cooperative's employees, and the protocol of different scenarios. Mr. Paulling handed out a five page narrative of what has been done at the Cooperative offices in response to COVID-19, since the middle of March 2020. The Cooperative has tested over 40 employees, and there have been 11 employees tested positive.

Mr. Paulling reported on the recent employment activity. The vacant Utility Locator position was filled on June 29, 2020. The following vacancies are on hold for now: Fleet Technician II position and (2) Line Technician positions. An online employment application is being created, and it is almost finished.

Mr. Paulling discussed our current position on rates and revenue requirements. The Cooperative has not had a change in rates since August 2019, and there is a need for additional revenue to cover the increase in current and future expenses and lack of revenue with both mainly attributable to COVID-19. He presented that we have two choices. A future rate increase or utilizing the Monthly Adjustment Factor "MAF" that is currently part of our rate schedules but is set at \$0.00. Staff is evaluating the need to begin adding the MAF back into the billing calculations on the member monthly bills.

Mr. Paulling reported that an online membership application will be rolled out in August 2020. 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 reported that the Board needs to select a Voting Delegate and Alternative for CFC's Special Board Meeting that will be held virtually on August 14, 2020. Mr. Frick made a motion for Mr. B. Robert Paulling to serve as the Voting Delegate. The motion was seconded by Mr. Best and unanimously passed. Mr. Frick then made a motion for Mr. Marvin W. Sox to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 2

Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox stated the Compensation Committee met just prior to the meeting, and he called on Mr. Watts for his report. Mr. Watts gave an overview of the meeting. The Committee received information from Mr. Dan Bruning, Consultant, with national executive compensation firm, Eleco Solutions, on CEO compensation. The Committee also reviewed Board compensation across the state. There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox reported that the CarolinaConnect Board Meeting was held July 28, 2020. CarolinaConnect now has over 11,000 customers, which is about 8,400 Mid-Carolina members and 2,400 Newberry members.

Mr. Frick reported everything is going well with Central.

Ms. Kirkland stated that the Statewide Communications and Government Relations Committees met in July to review budgets for 2021. She reported that the CEEUS and ECSC Board Meetings will be held on August 6, 2020, in person at the Columbia Convention Center with safe practices in place.

Mr. Shealy had nothing to report on the ECSC Trustee Association.

Chairman Sox reported that Federated plans to have their quarterly meeting next week in person, with a call in option. The insurance claims are down year-to-date.

Mr. Paulling reported that the SC Power Team will have their Board meeting the following day. The Board will vote on changing the Bylaws pertaining to changing the composition of the Board to 5 CEO seats and 5 Trustee seats. There were no other reports at this time.

AGENDA ITEM # 10

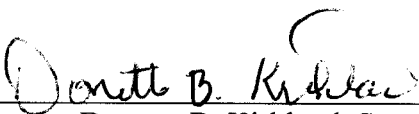
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Frick to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 11

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

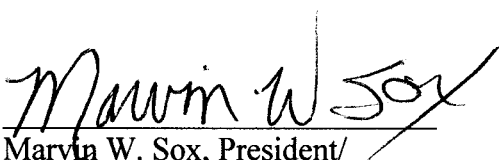
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 3:45 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 meeting held on June 24, 2020; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes of the regular meeting held on June 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 29th day of July 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, the Board of Trustees is responsible for selecting a voting delegate and alternate for the 2020 CFC Special Called 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 2020 CFC Special Called Meeting as follows:

CFC Special Called 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 29th day of July 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary