

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

October 27, 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
Donette B. Kirkland, Secretary
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: Bob Paulling

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 last regular monthly meeting held on September 22, 2021. There were no corrections, and Mr. Shealy made a motion to approve the minutes, as presented. The motion was seconded by Mr. Risinger and unanimously passed.

See Resolution # 1

AGENDA ITEM # 3

UNFINISHED BUSINESS: Chairman Sox called on Mr. Paulling for a follow-up discussion on the proposed 2022 Budget that was presented to the Board on October 20, 2021. Mr. Paulling reviewed the highlights and major financial strategies of the proposed 2022 Budget. He answered multiple questions throughout his presentation. There were no further questions or comments, and Chairman Sox encouraged the Board to continue to review the proposed budget. The Board will need to consider approval of the 2022 Budget at the November 23rd meeting. There was no other 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 the year-to-date revenue was \$98,391,991, which is \$6,365,712 below budget at the end of September. The year-to-date cost of wholesale power was \$60,540,532, which is under budget by \$3,137,571. The year-to-date margins were \$4,260,075, which is \$42,697 below budget. Mrs. Crepes reported that equity was 22.74% at the end of September for an increase of 0.16%. The deferred credits account balance changed by \$506,487, and the ending balance was \$6,003,374.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,984 kWh in September. Mid-Carolina's average bill was \$203.20 (account charge \$29.45) compared to Dominion's \$252.81 (account charge \$9.50), Duke – Carolina's \$224.37 (account charge \$11.96), and Duke – Progress \$227.51 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 19,168 kWh. Mid-Carolina's average annualized bill was \$2,195.74 (account charge \$346.75) compared to Dominion's \$2,315.60 (account charge \$108.50), Duke – Carolina's \$2,181.01 (account charge \$143.52), and Duke – Progress \$2,180.60 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received fiber income from CarolinaConnect in the amount of \$1,630,817 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 September. He then gave an update on the number of service orders that have been processed by the Staking Technicians since January 2021. The right-of-way crews are still working in the Circle, Leesville, Lake Murray and Irmo areas. There were 162 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 September. He stated that all 236 down line recloser locations are now 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 September 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 Prize Patrol went out into the community notifying grant winners for Bright Ideas the beginning of October. He reported on several recent and upcoming community events, and showed the Cooperative's recent Facebook Ads. Mr. Simpson next discussed the *South Carolina Living* schedule through February 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 34,206 accounts enrolled in SmartHub as of October 1, 2021, which represents 58.5% of active accounts enrolled. In September, 80.4% of all payment transactions were made electronically, and 5.3% of payment transactions were entered manually through the Cooperative's cash-drawer application. Mr. Sturkie reported that 54.3% of September payments were made by Credit Card. There were 2,875 people on Pay As You Go, as of September 30, 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 September, the Trust Board approved 40 applications out of 44 for a total distribution of \$40,806. The Trust Fund balance at the end of the month was \$53,639. Mrs. Ross-Bell reported on the Office of Regulatory Staff Audit that was completed in September. She then reviewed the Board calendars through December 2021. There are six Board Members attending the ECSC Winter Conference in December. Mr. Shealy made a motion to approve these members to attend. The motion was seconded by Ms. Kirkland and unanimously passed. 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 stated there were no recordable accidents in September. He then reported that due to two recent employment separations, there is now recruitment for a Line Technician and a Member Services Representative.

Mr. Paulling then presented recommended changes to Services Rules and Regulations Policy 409 – Disconnect Legislation of 2005 to reflect the Cooperative’s current practices. After a detailed discussion of this policy, Ms. Kirkland made a motion to approve the recommendations, as presented. The motion was seconded by Mr. Lindler and unanimously passed.

See Resolution # 2

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 status of 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 # 7

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

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Ms. Kirkland for the Policy Committee Report. Ms. Kirkland stated that the Board received Policy 112 – Statement of Functions of Finance and Audit Committee and Policy 113 – Records Management Policy 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 # 9

ASSOCIATED MEETING REPORTS: Chairman Sox reported that CarolinaConnect’s Board Meeting was the prior day, and they now have over 15,800 customers.

Mr. Risinger gave a report on the Central FAR Committee held earlier this month. Central has been working on power contracts.

Ms. Kirkland reported that CEEUS did not meet this month, since the Equipment Show was supposed to be held in October, which was cancelled due to COVID-19. Statewide held their meeting earlier in the month, and all budget committees were approved.

Chairman Sox reported that Federated is doing well and financially sound. 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, and they just passed a budget.

Chairman Sox stated that he and Mr. Paulling attended the NRECA Regional Meeting in Birmingham, AL earlier this month. He stated it was a good meeting that concentrated on Cyber Security, NRECA International Program and Safety Program. Chairman Sox also stated that Mr. Lunsford was recognized for completing his Board Leadership Certification this year. There were no other reports at this time.

AGENDA ITEM # 10

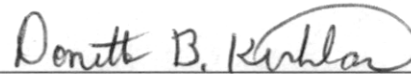
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Ms. Kirkland to enter into executive session. The motion was seconded by Mr. Best and unanimously passed.

AGENDA ITEM # 11

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

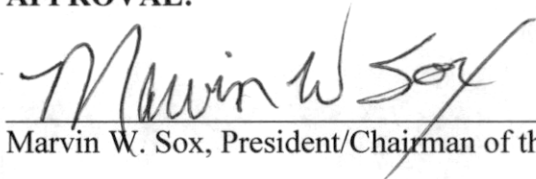
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 3:35 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

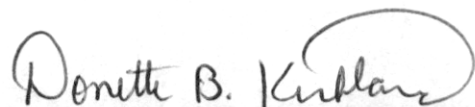
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on September 22, 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 September 22, 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 27th day of October 2021, at which meeting a quorum was present.

A handwritten signature in cursive script, reading "Donette B. Kirkland", written over a horizontal line.

Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, Mr. Paulling presented changes to the Service Rules and Regulations 409 – Disconnect Legislation of 2005; and

WHEREAS, the policy needs to reflect the Cooperative's current practices; and

WHEREAS, the Board of Trustees reviewed and discussed the changes;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended changes to Service Rules and Regulations 409, as presented 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 27th day of October 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

SERVICE RULES AND REGULATIONS

400 BILLING

409 DISCONNECT LEGISLATION OF 2005

Procedures for Termination of Service to:

- 1) All Residential Members During Weather Conditions Marked by Extremely Hot or Cold Temperatures; and
- 2) Special Needs Account Members Due to Nonpayment; and
- 2)3) Prepaid accounts are excluded Pursuant to S.C. Codes §§ 33-49-255

Filed with the South Carolina Office of Regulatory Staff Pursuant to S.C. Code §§ 33-49-1410 through 1450:

I. Termination of Residential Service During Extreme Weather

On any day when, as of 8:00 a.m., the National Weather Service forecasts temperatures for Columbia, SC to be below 33 degrees Fahrenheit or above 98 degrees Fahrenheit or issues a Heat Advisory for Columbia, SC, no termination of residential service for non-payment may take place.

II. Qualification as a Special Needs Account Member

"Special Needs Account Member" means the account of a residential member where the member furnishes to the Cooperative a certificate in the form of the document attached to this policy as "Attachment A" and signed by a licensed health care provider stating that termination of electric service would be dangerous to the health of the member or a person residing in the member's household at the premises to which electric service is rendered. "Licensed Health Care Provider" means a licensed medical doctor, physician's assistant, nurse practitioner, or advanced-practice registered nurse. Such a form shall be re-validated annually. Upon the form's expiration, the member must submit a new form to retain qualification as a Special Needs Account Member.

III. Initial Notice to Special Needs Account Members of Termination Due to Nonpayment

The Cooperative may terminate service to a Special Needs Account Member for nonpayment of a delinquent account. "Delinquent Account" means an account for residential service that remains unpaid for at least twenty-five (25) days after the bill is rendered. The exact due date shall be printed on the face of the bill. The Cooperative will not terminate service to any Special Needs Account Member due to nonpayment unless written notice is delivered by mail ~~or hand delivery~~, and a Cooperative employee has visited the premises giving notice of termination prior to disconnect. -The written notice must contain:

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- A. The Cooperative's statement of termination policy.
- B. An identification of the member and service account affected by the proposed termination.
- C. A statement of reasons for termination.
- D. The date of proposed termination.
- E. The amount of the reconnection fee.
- F. A summary of rights and remedies, including procedure to dispute the termination notice, provisions relating to Special Needs Account Members described below, and sources of financial assistance.
- G. Instructions on how service can be restored.

IV. Investigation and Special Payment Arrangement Plans for Special Needs Account Members

After initial notice of termination is served on a Special Needs Account Member, a Cooperative customer service representative will attempt to contact that member regarding the status of the account. The Cooperative may deviate from its policy on termination of service due to nonpayment for Special Needs Account Members at this time.

When a Special Needs Account Member cannot pay a bill in full, the Cooperative may continue to serve the member if the member has a satisfactory payment history and the member and the Cooperative can agree on a reasonable portion of the outstanding bill to be paid immediately and the manner in which the balance shall be paid. In determining if a Special Needs Account Member has a satisfactory payment history, the Cooperative will consider the member's entire payment history. In deciding on the reasonableness of a particular agreement, the Cooperative shall take into account the member's ability to pay, the size of the unpaid balance, the member's payment history, the amount of time, and reasons why the debt is outstanding. ~~Extension of a payment agreement requires completion of a Special Needs Arrangement (attachment B) issued by the Cooperative at the member's request, signed by a licensed health care provider (defined in Section II) and returned to the Cooperative by the final due date for payment. Responsibility for proper completion by the licensed health care provider and return to the Cooperative by the final due date rests with the member.~~

V. Final Notice to Special Needs Account Members Prior to and at the Time of Termination

- A. If the Cooperative and the Special Needs Account Member do not agree to a payment arrangement plan by the due date on the regular monthly statement, a second and final notice will be mailed.

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- B. ~~If the Special Needs Account Member will be has been~~ mailed a final written notice ~~and and has not secured a signed Special Needs Arrangement~~, the Cooperative may terminate service on the business day following the final due date for the payment. Service may also be terminated if the Special Needs Account Member has remitted a check with insufficient funds, used a credit card fraudulently or fails to meet the terms of a previously agreed upon payment arrangement.
- C. Prior to termination of service, the Cooperative will make an attempt to contact the Special Needs Account Member, either in person or by telephone, to apprise the member of the proposed action.

VI. Post-Termination for Nonpayment Notice to Special Needs Account Members

When service is terminated, the Cooperative employee terminating service shall leave a post-termination notice upon the premises in a place conspicuous to the Special Needs Account Member that service has been terminated. This post-termination notice shall provide the address and telephone number of the Cooperative where the member may arrange to have service restored. The Cooperative shall have personnel available after the time of termination and during normal business hours authorized to reconnect service if the conditions cited as grounds for termination are corrected to the Cooperative's satisfaction and upon payment of any reconnection charge specified.

VII. Termination Notice to Special Needs Account Members for Non-Payment – When Prohibited

A notice of termination of service will not be issued for nonpayment of a delinquent account if the entire amount is disputed by the Special Needs Account Member and the member is currently negotiating the dispute with the Cooperative. The Cooperative may, however, issue a notice of termination of service with respect to that portion of any delinquent account which is not disputed by the member.

VIII. Time of Termination of Service to Special Needs Account Members

Service to a Special Needs Account Member shall not be discontinued on a day, or a day immediately preceding a day, when the services of the Cooperative are not available to the general public for the purpose of reconnecting terminated service. Service may be terminated only between the hours of 8:00 a.m. and 3:00 p.m.

IX. Method of Termination of Service to Special Needs Account Members

- A. Actual termination may not take place until 24 hours after service of final notice to the Special Needs Account Member.

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- B. The Cooperative's employees shall attempt to inform the occupant of the affected residence that service is to be discontinued. Upon presentation of evidence, which reasonably indicates that the charge has been paid or is subject to a dispute previously registered with the Cooperative, service shall not be terminated.
 - C. The employee shall be authorized to accept payment. If payment in full of all delinquent charges is tendered, service shall not be terminated.
 - D. Payment may be tendered in any reasonable manner including personal check. Payment by personal check is not reasonable if the member has paid the utility with checks returned for insufficient funds twice or more within the previous six months.
 - E. Before termination, the Cooperative will notify the Special Needs Account Member of local social service agencies that the member may contact to determine the availability of public or private assistance with the payment of electric bills.
 - F. If no special arrangement plan agreement is reached or the account is not paid in full prior to the time set out in the notice, service will be disconnected.
- X. Reconnect Charges for Special Needs Account Members
- A. To have a service reconnected, all delinquent charges must be paid up to the disconnected reading, as well as a reconnect fee. Reconnect fees will be charged (Refer to Section 700600B).
 - B. The Cooperative may also require a deposit to guarantee payment of any future bills.
- XI. Emergency Disconnects
- Notwithstanding the procedures contained in this policy, the Cooperative may terminate service to any member without prior notice if it determines that a condition immediately dangerous or hazardous to life, physical safety, or property exists.

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(Attachment A)

Account Name: «Name»
Address: «Add1»
«Add2»
«CITY», «STATE» «ZIPCODE»

Cin #: «Cin»
Account #«ACCT»

Home Phone #: _____

**** THE FOLLOWING TO BE COMPLETED AND SIGNED BY PHYSICIAN OR LICENSED
HEALTH CARE PROVIDER. THIS FORM MUST BE RETURNED (NO FAXED COPIES) ****

Patient's Name _____

Patient's Address _____

- ☐ The above patient does not require electrically driven life support equipment, but depends on electricity to maintain a constant environment due to life-threatening health problems.
- ☐ The above patient depends on electrically driven life support equipment (described below)

Type of life support equipment required and schedule of use

Signed (Physician/Licensed Health Care Provider)

Date

Telephone #

SC Medical License Number

Response to outages requires that we ensure a valid need exists. It may be necessary to verify this information to keep our list of special accounts current. By submitting this form to Mid-Carolina Electric, permission is granted for a representative from Mid-Carolina Electric to contact the physician or licensed health care provider named above and/or make a visit to the home.

Signed (Patient/Responsible Individual)

Date

(A*SPECIAL* designation does not exempt an account from termination for delinquent electric bills. Payment arrangements can be made by contacting Mid-Carolina Electric.)

Mid-Carolina Electric strives to provide quality service to all customers. Due to the nature of the electric supply system, we cannot guarantee uninterrupted service. If a continuous electrical supply is vital to your household, we recommend that a backup system be available should an outage occur. Please contact us about safety precautions when installing generators.

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~~(Attachment B)~~ we no longer use this arrangement



(803) 749-6400 * TOLL FREE IN SC 1-888-813-8000
FAX: (803) 749-6495
EMAIL: customerservice@mcecoop.com

SPECIAL NEEDS ARRANGEMENT

Member Name: _____ Member Phone: _____
Account # _____ CIN# _____
Patient Name (if different) _____ DOB: _____
Member Address: _____

To prevent termination of electrical service due to special medical needs, the member named above
assumes responsibility for return of this completed document prior to the termination date of:

***** To be completed by the Health Care Provider *****

I hereby certify that termination of residential electric service to the above-referenced member of Mid-Carolina
Electric Cooperative, Inc. would be dangerous to the health of the member or person residing in the member's
household at the premises to which electric service is rendered (shown above).

Licensed Health Care Provider Signature: _____ Date: _____

Licensed Health Care Provider's Name (please print): _____

Health Care Provider Address: _____

Telephone Number: _____ SC Medical License Number: _____

***** Member Information – To be completed when form is returned to MCEC *****

Payment is due by 5:00 p.m. on _____ in the amount of \$ _____.

Customer Service Representative: _____

Revised: 12/2010; 6/2011; 4/2014