

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

June 23, 2021

AGENDA ITEM # 1

CALL TO ORDER: Marvin W. Sox, President/Chairman
(1:00 p.m.) 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

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
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Kenneth Lindler

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order and stated that Mr. Watts and Mr. Sturkie would not be in attendance today. He then asked if there were any corrections, additions or deletions to the minutes of the regular monthly meeting held on May 26, 2021. There were no corrections, 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 the year-to-date revenue was \$52,258,982, which is \$2,662,677 below budget at the end of May. The year-to-date cost of wholesale power was \$30,940,347, which is under budget by \$1,268,330. The year-to-date margins were \$2,328,604 which is \$964 below budget. Mrs. Crepes reported that equity was 22.98% at the end of May for an increase of 0.22%. The deferred credits account balance changed by \$666,694, and the ending balance was \$2,691,176.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,086 kWh in May. Mid-Carolina's average bill was \$134.63 (account charge \$29.45) compared to Dominion's \$132.47 (account charge \$9.00), Duke – Carolina's \$125.31 (account charge \$11.96), and Duke – Progress \$127.87 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 19,099 kWh. Mid-Carolina's average annualized bill was \$2,221.26 compared to Dominion's \$2,299.59, Duke – Carolina's \$2,242.92, and Duke – Progress \$2,222.12.

Mrs. Crepes reported that CarolinaConnect has paid Mid-Carolina \$919,816 in fiber access fees 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 May. The right-of-way crews are still working in the Circle, Leesville, Lake Murray and Irmo areas. There were 156 dead trees cut during the month.

Mr. Wilbur stated the System Inspectors have completed their work in the Gilbert area, and they have started working in the Barr Substation area. He reported that Tomberlin Pole inspectors are still working in the Lake Murray area, and they inspected 1,986 poles in May.

Mr. Wilbur gave an update of the ongoing SCDOT Projects. He then showed and reviewed a map of the Dominion switch over of meters that took place in June 2021. 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 May. There were 14 additional electronic line reclosers connected to the SCADA system via the fiber optic cable system during the month. This now has 182 out of 240 recloser locations on SCADA. Mr. Ayers discussed the status of fiber optic construction in subdivisions.

Mr. Ayers 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 May 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 reported on several recent community events. He discussed the Facebook Ad Campaign and the Digital Messaging for the Cooperative. Mr. Simpson stated that the Business Strategy gathering with the employees went well on June 3, 2021. He next discussed the *South Carolina Living* schedule through September 2021. There were no further questions or comments, and Chairman Sox thanked Mr. Simpson for his report.

INFORMATION TECHNOLOGY: Chairman Sox called on Mr. Paulling for the Information Technology report. Mr. Paulling reported there were 33,254 accounts enrolled in SmartHub as of June 1, 2021, which represents 57.2% of active accounts enrolled. In May, 79.8% of all payment transactions were made electronically, and 4.5% of payment transactions were entered manually through the Cooperative's cash-drawer application. Mr. Paulling reported that 52.9% of May payments were made by Credit Card.

Mr. Paulling then showed a comparison of the number of payment transactions made via the drive-thru window at the Lexington and Dutch Fork offices in May 2021 with 2,662 total payments compared to May 2020 with 2,736 total payments, and May 2019 with 4,885 total payments. Mr. Paulling reported on the number of walk-ins the Cooperative had since the offices re-opened on June 15, 2021, which has average about 10 per day at each office. There were 2,763 people on Pay As You Go, as of May 31, 2021. Mr. Paulling gave an update on the Cooperative's Cyber Security. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the 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 May, the Trust Board did not have a meeting, due to not having any completed applications. Therefore, the Trust Board doubled the donations to the Christian Ministries for a total donation of \$12,721. The Trust Fund balance at the end of the month was \$42,844.

Mrs. Ross-Bell reviewed the Board calendars through August 2021. She stated the date of the NRECA Regional Meeting will be October 6-7, 2021, in Birmingham, AL. Mrs. Ross-Bell then recommended a date of October 12, 2021, for the next Member Advisory Committee. She also presented a date of October 20, 2021, for the annual budget presentation. The Board agreed on both of these date. 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 May. He gave the employment report and stated a new Line Technician was hired with a start date of June 28, 2021, and a new Member Services Representative was hired with a start date of July 6, 2021. There was a voluntary separation of a Line Technician that took place on June 18, 2021.

Mr. Paulling then presented statistics showing that the Cooperative is operating with the same number of Member Services Representatives for over 20 years. Since January 2014, there has been an increase of 11.7% or 6,127 accounts. There has also been a number of new offerings to members, which take time for the Member Services Representatives to explain such as the rate structure, SmartHub and Pay As You Go. The number of conveniences for our members have also increased with the ability to sign forms electronically, online applications, emails from members, and the implementation of Live Chat.

Mr. Paulling made a recommendation to add two additional Member Services Representative positions to the 2021 budget with a proration of five months for an additional cost of \$43,000. After a Board discussion, Mr. Risinger made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Lunsford and unanimously passed.

See Resolution # 2

Mr. Paulling next gave an update on Santee Cooper. He discussed the Santee Cooper reform bill that was signed by the Governor on Tuesday, June 15, 2021. Mr. Paulling discussed the report on electric cooperatives lower carbon dioxide emissions. He showed a graph from 2005-2027, with a downward trend of 47% during that timeframe. 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. He gave an update on the OSHA Covid-19 protocols. Mr. Black reviewed the CDC's recent Emergency Temporary Standard "ETS" applicable to healthcare employers. While Mid-Carolina is not a healthcare employer, the ETS lists several recommendations for non-healthcare employers. Mr. Black reviewed the recommendations with the Board. Mr. Paulling reported on the ways he has communicated with the employees on the appropriate Covid-19 protocols, guidelines, and recommendations that are in place at Mid-Carolina. There were no further questions or comments, and Chairman Sox thanked Mr. Black for his report.

AGENDA ITEM # 7

CHAIRMAN'S REPORT: Chairman Sox discussed the NRECA Regional Meeting and that the Board will vote on who will attend at the July 28, 2021, meeting. He then reported that the Board needs to select a Voting Delegate and Alternate for the NRECA Director Election. Mr. Risinger made a motion to appoint Ms. Donette B. Kirkland as the Voting Delegate. The motion was seconded by Mr. Shealy. Mr. Lunsford

made a motion to appoint Mr. B. Robert Paulling as the Alternate. The motion was seconded by Mr. Bedenbaugh. Both motions were unanimously passed.

See Resolution # 3

Chairman Sox then read the information from Federated about the election of their Board that will be held at the NRECA Regional Meeting. He is running for his last three year term, and asked if anyone else is interested in running. Chairman Sox presented Mr. Lunsford with his NRECA Board Leadership Certificate. Everyone congratulated him for this accomplishment. He had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox stated the Compensation Committee met just prior to this meeting. This meeting is to begin the CEO evaluation and appraisal process. An evaluation packet for Mr. Paulling will be sent to each Board Member to fill out with a goal of completion within a couple of weeks, so the results can be compiled prior to the Compensation Committee on August 25, 2021.

Chairman Sox then discussed the Executive Committee report in regards to the Board Self-Evaluation project. A Board Self-Evaluation packet will be sent to each Board Member to complete within a couple of weeks. Each Board Member is encouraged to make any suggestions on how to help improve the Board's performance. It is also encouraged to for everyone to make suggestions on any necessary changes or modifications to the monthly meetings.

Chairman Sox next called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that Board Policy 105 – Trustee's Fees and Expenses and Board Policy 106 – Appointments for Board of Trustee Vacancies were reviewed by the Committee and provided to the Board prior to this meeting. There are no recommended changes to either policy. The policies 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 called on Mr. Paulling to give a report on CarolinaConnect. Mr. Paulling stated that CarolinaConnect's Board Meeting will be June 29, 2021. He stated that two members of Aiken Electric Cooperative have become customers of CarolinaConnect.

Mr. Risinger reported that Central will meet in July.

Ms. Kirkland reported that CEEUS has reached another record with over \$11 million in sales last month. She stated that everything went well at the ECSC Summer Conference. The main topic of discussion is that there could be a 270% increase in power requirements within the next 10 years due to electric vehicles.

Mr. Shealy reported that the ECSC Trustee Association met earlier in the month, and the Association's Annual Meeting is scheduled for April 4-6, 2022, in Myrtle Beach, SC.

Chairman Sox reported that everything went well with Federated at their Annual Meeting that was held in conjunction with the CFC Summer Summit held earlier this month.

Mr. Paulling reported that the SC Power Team had their Board Meeting last week, and everything is going well.

Mr. Risinger, Mr. Bedenbaugh and Mr. Lindler all discussed the course on Ethics and Governance that they attended at the ECSC Summer Conference. They all thought it was an informative class.

Mr. Lunsford attended a NRECA online course on Current Governance Issues in Policy Development. Mid-Carolina is in compliant with reviewing policies and documenting the date it was reviewed. 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. Risinger 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.

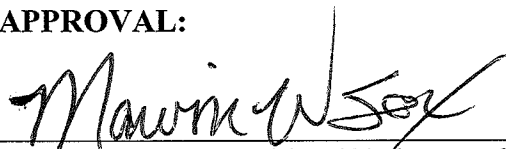
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:45 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

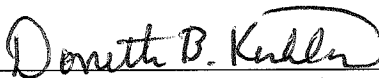
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on May 26, 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 May 26, 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 June 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 presented statistics showing a need to hire additional Member Services Representatives this year; and

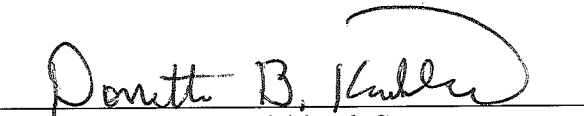
WHEREAS, Mr. Paulling requested \$43,000 be added to the 2021 Budget for two additional Member Service Representatives; and

WHEREAS, this is a proration of salary and benefits for the remaining five 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 \$43,000 to hire two additional Member Services Representatives 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 23rd day of June 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 responsible for selecting a Voting Delegate and Alternate for the NRECA Director Election; and

WHEREAS, the Board of Trustees desires to appoint the within named person as the Voting Delegate to the aforesaid meeting;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints the Voting Delegate and Alternate for the NRECA Director Election that will be held during the Statewide Board Meeting on August 5, 2021.

NRECA Director Election

Voting Delegate

Ms. Donette B. Kirkland

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



Donette B. Kirkland, Secretary