

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

OCTOBER 28, 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. via Zoom
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
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: Troy Simpson

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 September 23, 2020. There were no corrections to these minutes, and Mr. Risinger made a motion to approve the minutes, as presented. The motion was seconded by Mr. Shealy 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 \$99,210,697 which is \$4,889,557 below budget at the end of September. The year-to-date cost of wholesale power was \$61,399,383, which is under budget by \$2,699,164. Year-to-date margins were \$3,299,679, which is \$148,203 below budget. Mrs. Crepes reported that equity was 23.32% at the end of the month for an increase of 0.13%. She then reported the deferred credits account balance changed by (\$130,329) and the ending balance was (\$2,022,151).

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,974 kWh in September. Mid-Carolina's average bill was \$197.38 (account charge \$28.50) compared to Dominion's \$245.18 (account charge \$9.00), Duke – Carolina's \$238.60 (account charge \$11.96), and Duke – Progress \$232.61 (account charge \$11.78). Mrs. Crepes discussed the year-to-date amount of \$874,545 that CarolinaConnect has paid Mid-Carolina in fiber 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 and the service district that the Mid-Carolina and Contractor crews worked in September. The right-of-way crews are still working in the Circle, Pelion, South Congaree and Spring Hill areas. There were 166 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Leesville area. He then 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 five additional electronic line reclosers were connected to the SCADA system via the fiber optic cable system during the month. This brings the total recloser locations on SCADA to 123 out of 242. The goal is to have all locations on next year. Mr. Ayers then gave an update on the fiber optic construction in subdivisions.

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 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 reported on the recent and upcoming community events to include the 2021 Youth Tour applications that will be available November 1, 2020 through January 31, 2021. There were 14 applications that were received and awarded for the Bright Ideas program this year. The winners were announced via Zoom on October 15th. He discussed the *South Carolina Living* schedule through February 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 31,340 accounts enrolled in SmartHub as of October 1, 2020, which represents 54.3% of active accounts enrolled. In September, 78.5% of all payment transactions were made electronically, and 5.4% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 49.9% of September payments were made by Credit Card. There were no Verifone payments made this month, as the devices were removed from the lobbies in preparation for the lobby renovations to begin soon. 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 September 2020 with 3,154 total payments compared to September 2019 with 4,704 total payments. There were 2,468 people on Pay As You Go, as of September 30, 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 September, the Trust Board approved 40 applications out of 50, and donations were doubled again for the Christian Ministries for a total distribution of \$34,996. The Trust Fund balance at the end of the month was \$39,538. Mrs. Ross-Bell reviewed the Board calendars through December 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 September. He then called on Mr. Jason Derrick, Safety and Training Manager, who presented the results of the Cooperative's RESAP that was conducted on September 24, 2020. Mr. Derrick went through all of the RESAP review in detail, and the Cooperative scored high on almost all of the categories, which is an indication of the hard work the employees do on a daily basis.

Mr. Paulling then went through a demo of Jostle "AMP", the Cooperative's internal communication application that all employees have on their phone or iPad. He next reported on the employment activity. There is an offer pending for the open Fleet Tech II position, and a Crew Leader has been selected to fill the Line Superintendent position, due to a pending retirement of January 1, 2021. There is ongoing recruitment for several linemen and internal recruitment for a Crew Leader, due to a promotion, and a System Operator, due to a resignation. 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 were no further questions or comments, and Chairman Sox thanked Mr. Black for his report.

AGENDA ITEM # 7

CHAIRMAN'S REPORT: Chairman Sox discussed several upcoming events and had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Mr. Risinger for the Retiree Welfare Benefit Trust Committee meeting report. Mr. Risinger stated the fund is still doing well, and the balance remains at \$22.3 million. There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox called on Mr. Paulling for the CarolinaConnect report. Mr. Paulling stated their Board Meeting was held the day prior to this meeting. CarolinaConnect presented their 2021 Proposed Budget. They have over 12,115 customers, with 9,351 Mid-Carolina members and 2,764 Newberry members.

Mr. Frick reported everything is going well with Central.

Ms. Kirkland stated that ECSC met earlier in the month. She discussed the Broadband Bill that was passed. This Bill will allow Cooperatives to be in the broadband business, oversight of pole attachments, provides access to easements where electricity services are already present, and to be able to serve within two miles of the Cooperative's service territory. Mr. Paulling stated it is time to sign up to be a member of Statewide, and to decide how many issues of the *South Carolina Living* will be mailed to our membership. Everyone agreed to join Statewide and to continue with the 11 issues for the *South Carolina Living*.

Mr. Shealy stated that the ECSC Trustee Association will have a web meeting on November 4, 2020.

Chairman Sox reported that Federated is doing well.

Mr. Paulling reported that the SC Power Team is doing well with a lot of ongoing projects.

Chairman Sox and Mr. Bedenbaugh discussed the NRECA Online Regional Meeting they participated in earlier in the month. Mr. Best and Mr. Lunsford discussed the NRECA online class they took earlier in the month. There were no other reports at this time.

AGENDA ITEM # 10

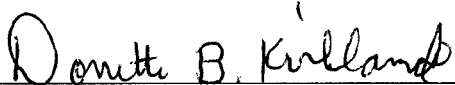
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Kirkland to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 11

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

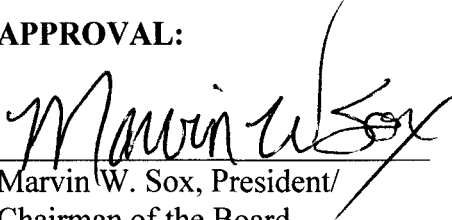
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 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 September 23, 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 September 23, 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 28th day of October 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary