

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SOUTH CAROLINA
MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES
JUNE 24, 2020

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 V. Frick
Alan R. Lunsford
Justin B. Watts

STAFF PRESENT: B. Robert "Bob" Paulling, President and CEO
Theresa D. Crepes, VP, Finance and Accounting
Lee H. Ayers, VP, Engineering
Troy A. Simpson, VP, Member Services
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Ken Frick

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 May 27, 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 \$50,721,130, which is \$3,939,911 below budget at the end of May. The year-to-date cost of wholesale power was \$28,836,546, which is under budget by \$3,660,895. Year-to-date margins were \$1,836,054, which is \$34,098 below budget. Mrs. Crepes reported that equity was 22.85% at the end of the month for an increase of 0.15%. She then reported the deferred credits account balance changed by (\$156,599) and the ending balance was (\$1,695,735).

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,125 kWh in May. Mid-Carolina's average bill was \$139.94 (account charge \$28.50) compared to Dominion's \$139.94 (account charge \$9.00), Duke – Carolina's \$138.16 (account charge \$11.96), and Duke – Progress \$141.50 (account charge \$11.78). Mrs. Crepes discussed the year-to-date amount of \$451,528 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. Paulling for the Operations report. Mr. Paulling reported the locations that the Mid-Carolina and Contractor crews worked in May. The right-of-way crews are still working in the Pelion, Hollywood and South Congaree areas. There were 194 dead trees cut during the month. Mr. Paulling stated the System Inspectors are still working in the Leesville area. The Tomberlin Pole Inspectors have completed their work in the Leesville area, and are now working in the Hollywood area. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the 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 ten 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 the total battery and charger system upgrade at the Lexington Substation was completed. This upgrade moved the DC system inside the building that was placed to support the fiber optic network, which was designed for additional space to relocate the outdoor cabinet mounted equipment to the indoor conditioned and protected space.

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. He then reviewed the retail billing and wholesale cost of power comparing 2019 year-to-date numbers to the 2020 year-to-date numbers, as well as the kWh numbers for the same timeframe. This comparison resulted in a reduction in a volumetric rate of \$3,671,021. The outage report and notes for May were discussed in detail. 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 that the Clay Shoot was cancelled for this year, and it was rescheduled for March 27, 2021. He then discussed several events the Cooperative is sponsoring in the coming months. Mr. Simpson reminded the Board that the Cooperative will start cutting off accounts for non-payment on July 6, 2020. He reviewed the mailing that went to the members with their June billing. Mr. Simpson reported on the *South Carolina Living* schedule through September 2020. 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 30,767 accounts enrolled in SmartHub as of June 1, 2020, which represents 53.6% of active accounts enrolled. In May, 75.3% of all payment transactions were made electronically, and 5.1% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Paulling reported that 45.8% of May payments were made by Credit Card. At the Dutch Fork Office, there was 1 payment made through the Verifone in May, and there were 2 payments made through the Verifone at the Lexington Office. Mr. Paulling showed a comparison of the number of payment transactions made via the drive-thru window at the Lexington and Dutch Fork offices in May 2020 (2,736 total payments) compared to May 2019 (4,885 total payments). There were 2,176 people on Pay As You Go, as of June 1, 2020. Mr. Paulling 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. 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 held their meeting via e-mail and 8 applications were approved out of 11. The Christian Ministry donations were doubled again in May for a total distribution of \$17,606. The Trust Fund balance at the end of the month was \$34,531.

Mrs. Ross-Bell stated that Mr. Garry Spragg has been recommended to fill the vacant unexpired term until May 2021 on the Trust Board that represents District 1. After a discussion, Mr. Shealy made a motion to appoint Mr. Spragg to the Trust Board. The motion was seconded by Mr. Watts and unanimously passed.

See Resolution # 2

The Board calendars were reviewed through August 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 was one recordable incident in May, a second tick bit for the year. He then reported on the recent employment activity. The vacant Crew Leader position was filled with an internal applicant effective on June 15, 2020, and the Apparatus Technician vacant position was filled with an internal applicant with

an effective date of June 29, 2020. The recruitment for the following open positions have been put on hold: Fleet Technician II, Utility Cable Locator and Line Technician (2 positions).

Mr. Paulling then discussed the upcoming Strategic Planning meeting scheduled for July 30-31, 2020. He gave an update on the Strategy Team's progress. An agenda for the Strategic Planning meeting will be developed soon.

Mr. Paulling discussed how COVID-19 has impacted the Cooperative's employees, and the protocol of different scenarios. He then reported on the status of the renovations of the lobby at both of the Cooperative offices. 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 presented an NRECA Board Gold Certification to Mr. Cliff Shealy. He 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. He stated that over the next couple of months, the Board's compensation will be reviewed, and the CEO evaluation will be conducted. The week of July 6, 2020, all Board Members will receive the CEO evaluation through Survey Monkey to be completed by July 22, 2020. There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox reported that the CarolinaConnect Board Meeting will be held on June 30, 2020, and they have over 10,000 customers.

Mr. Frick reported everything is going well with Central.

Ms. Kirkland stated that the CEEUS and ECSC Board Meetings were held June 2, 2020. She also participated in the Town Hall Conference Call held that same day with Senator Lindsey Graham.

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

Chairman Sox reported that everything is going well with Federated. He stated that Federated returned 50% of the projected capital credits to the Cooperative's during the month of May 2020, rather than waiting until the end of the year. Chairman Sox also stated that the year-to-date claims are down.

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

Mr. Best and Mr. Lunsford commented on the recent NRECA courses they took online. 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.

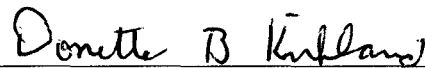
AGENDA ITEM # 11

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

After the executive session, Mr. Frick made a motion to cancel the Cooperative's Annual Meeting for 2020, due to COVID-19 and the Governor's Executive Orders discouraging large public gatherings. The Board elections and the recommended Bylaw changes scheduled for this year will be postponed until the Cooperative's 2021 Annual Meeting. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

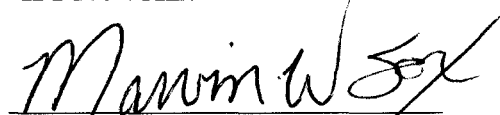
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 3:30 p.m.



Donette B. Kirkland, Secretary

APPROVAL:


Marvin W. Sox, President/
Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

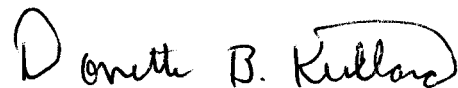
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular meeting held on May 27, 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 May 27, 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 24th day of June 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

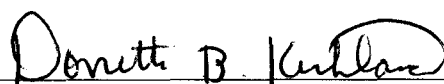
WHEREAS, the Board of Trustees is responsible for making appointments to the Board of Directors of the Mid-Carolina Electric Trust; and

WHEREAS, there is a vacancy on the Trust Board that represents District 1; and

WHEREAS, the Board of Trustees has decided to appoint Mr. Garry Spragg to fill the unexpired term;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints Mr. Garry Spragg to serve the remainder of the unexpired term on the Trust Board until May 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 24th day of June 2020, at which meeting a quorum was present.



Donette B. Kirkland, Secretary