

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

March 24, 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 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: Eddie Best

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 monthly meeting held on February 24, 2021. There were no corrections, and Mr. Frick 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 \$22,545,337, which is \$1,564,135 below budget at the end of February. The year-to-date cost of wholesale power was \$14,300,468, which is under budget by \$785,166. The year-to-date margins were \$935,281, which is \$32,384 below budget. Mrs. Crepes reported that equity was 22.51% at the end of February for a decrease of -1.15%. She presented the 2021 Capital Credit Statistics Hybrid Method, a total of \$3,000,000 was returned to the members with \$1.5 million retired for 2020, and \$1.5 million retired in the first in first out method. The deferred credits account balance changed by \$30,759, and the ending balance was \$1,676,106.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,992 kWh in February. Mid-Carolina's average bill was \$218.32 (account charge \$29.45) compared to Dominion's \$228.26 (account charge \$9.00), Duke – Carolina's \$223.45 (account charge \$11.96), and Duke – Progress \$217.69 (account charge \$11.78). Mrs. Crepes reported that CarolinaConnect has paid Mid-Carolina \$356,371 in fiber access fees year-to-date.

Mrs. Crepes and Mr. Paulling presented a new loan request in the amount of \$58,650,000. They discussed the details of the loan request based on a two year work plan. There was a lengthy discussion and the Board asked numerous questions. Mr. Risinger made a motion to approve the loan request, as presented. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 2

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 February. The right-of-way crews have completed their work in Coldstream. They are still working in the Circle and Leesville areas, and the crews have started working in the Lake Murray area. There were 121 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Gilbert 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 February. There were 9 additional electronic line reclosers connected to the SCADA system via the fiber optic cable system during the month. This now has 153 out of 241 recloser locations on SCADA. Mr. Ayers reviewed 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 February 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. Mr. Simpson discussed several ways the Cooperative will be connecting with the community over the next couple of months. The 2021 Touchstone Energy applications were available until March 19, 2021, and there were 51 applications received. Mr. Simpson reported on the logistics of the Cooperative's upcoming Annual Meeting. He next discussed the *South Carolina Living* schedule through June 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 32,369 accounts enrolled in SmartHub as of March 1, 2021, which represents 55.9% of active accounts enrolled. In February, 79.3% 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% of February payments were made by Credit Card. 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 February 2021 with 3,140 total payments compared to February 2020 with 4,389 total payments, and February 2019 with 4,681 total payments. There were 2,674 people on Pay As You Go, as of February 28, 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 February, the Trust Board approved 15 applications out of 24 for a total distribution of \$22,971. The Trust Fund balance at the end of the month was \$13,025. Mrs. Ross-Bell reviewed the Board calendars through June 2021, and discussed the ECSC Summer Conference that will be held in person at Wild Dunes, June 7-9, 2021. 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 February. He then gave the employment report stating there have been five new hires since March 1, 2021, to include one Member Services Representative and four Line Technicians. There is still ongoing recruitment for a Fleet Technician II, a GIS Technician, one Line Technician and a Fiber Optic Coordinator. Mr. Paulling also stated there was one separation of employment on March 12, 2021. Mr. Paulling next gave an update on Santee Cooper. He then gave an update on both office lobby renovations. 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 reported the Board needs to select a Voting Delegate and Alternate for the Cooperative Response Center Annual Meeting that will be held in conjunction with the CFC Forum July 13, 2021 in San Antonio, Texas. Mr. Shealy made a motion for Mr. Marvin W. Sox to serve as the Voting Delegate. The motion was seconded by Mr. Frick. Mr. Risinger made a motion for Mr. B. Robert Paulling to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Frick.

See Resolution # 3

A decision was made to start having the Board Meetings in the Administration Board Room again starting in April 2021. Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: There were no committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect will meet next week. He reported that Mid-Carolina has over 10,000 customers with CarolinaConnect, and Newberry has over 3,000 customers.

Mr. Risinger, Mr. Paulling and Mr. Frick gave an update on the Central Annual Meeting held earlier in the month.

Ms. Kirkland reported that CEEUS and ECSC will meet April 1, 2021.

Chairman Sox reported that everything is going well with Federated. He discussed the recent electrical contacts that took place at other cooperatives across the country.

Mr. Paulling reported that the SC Power Team is doing well.

There were no other reports at this time.

AGENDA ITEM # 10

NEW BUSINESS: Chairman Sox called for any new business. As a refresher, Mr. Black gave an overview of the recommended Bylaw changes that the membership will be voted on during the Cooperative's Annual Meeting registration. Chairman Sox thanked Mr. Frick for his dedicated service on the Cooperative's Board for the past 45 years.

There was no other new business to come before the meeting at this time. A motion was made by Mr. Shealy to enter into executive session. The motion was seconded by Mr. Risinger and unanimously passed.

AGENDA ITEM # 11

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

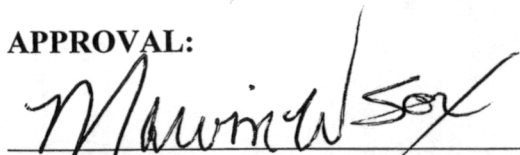
AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:15 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

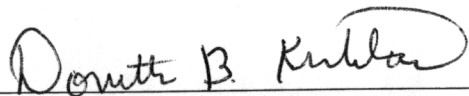
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on February 24, 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 February 24, 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 24th day of March 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

Resolution # 2

I, Donette B. Kirkland, do hereby certify that (i) I am the Secretary of MID-CAROLINA ELECTRIC COOPERATIVE, INC. (hereinafter called the "Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the Cooperative at a meeting held on March 24, 2021; (iii) the meeting was duly and regularly called and held in accordance with the articles and bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the loan documents identified below were submitted to the meeting and were authorized by the board of directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation (CFC), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$58,650,000.00, as set forth in the loan agreements with CFC governing such loans, substantially in the form of the two (2) loan agreements presented to this meeting (the "9032 Loan Agreement" and the "9033-9034 Loan Agreement"); and

RESOLVED, that the proceeds of the loans be used for the purposes set forth in each Loan Agreement; and

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from CFC in an amount which shall not at any one time exceed \$18,650,000.00 (the "Line of Credit Amount"), subject to the provisions of the Non-Revolving Line of Credit Agreement with CFC substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and

RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents (including as many counterparts as may be required):

- (a) the 9032 Loan Agreement;
- (b) the 9033-9034 Loan Agreement;
- (b) three or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$58,650,000.00 substantially in the form of the notes presented to this meeting;
- (c) the Line of Credit Agreement; and
- (d) if required by CFC, a mortgage and security agreement with CFC as mortgagee, for purposes of securing the loans provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to each of said Loan Agreements, and said Line of Credit Agreement as such individual may deem appropriate within the amount of the promissory notes and within the Line of Credit Amount so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
<u>President & CEO</u>	<u>B. Robert Paulling</u>
<u>Chief Financial Officer</u>	<u>Theresa D. Crepes</u>
<u></u>	<u></u>
<u></u>	<u></u>

IN WITNESS WHEREOF, I have hereunto set my hand as of the date shown below.

Donett B. Kurlan

Donette B. Kirkland, Secretary

Date: March 24, 2021

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 upcoming Cooperative Response Center "CRC" Annual Meeting; and

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

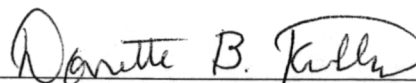
NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints the Voting Delegate and Alternate to the CRC 2021 Annual Meeting, as follows:

CRC

Voting Delegate
Alternate

Mr. Marvin W. Sox
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 24th day of March 2021, at which meeting a quorum was present.



Donette B. Kirkland, Secretary