
MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SOUTH CAROLINA
MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES
VIA ZOOM MEETING DUE TO COVID-19

April 29, 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.
Kenneth V. Frick
Alan R. Lunsford
Justin B. Watts

STAFF PRESENT:

B. Robert "Bob" Paulling, President and CEO
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: Cliff Shealy

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order, and stated that Mrs. Crepes is working on the Payroll Protection Program loan application and will not be attending the meeting today. He then asked if there were corrections, additions or deletions to the minutes of the special called meetings on March 10, 2020, and March 16, 2020, as well as the last regular Board Meeting held on March 25, 2020. There were no corrections to these minutes, and Mr. Shealy made a motion to approve, 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 Mr. Paulling for the Finance and Accounting report. Mr. Paulling reported year-to-date revenue was \$32,222,212, which is \$2,783,006 below budget at the end of March. The year-to-date cost of wholesale power was \$19,115,054, which is under budget by \$2,569,707. Year-to-date margins were \$1,094,609, which is \$22,583 below budget.

Mr. Paulling reported that equity was 23.00% at the end of the month for a decrease of -0.21%. He presented the 2020 Capital Credit Statistics Hybrid Method, which paid out 50% 2009 and 50% 2019 for a total distribution of \$2,999,543. Mr. Paulling next reported the deferred credits account balance changed by \$109,599, and the ending balance was (\$2,534,506).

Mr. Paulling then presented a rate comparison chart showing an average residential usage of 1,519 kWh in March. Mid-Carolina's average bill was \$190.21 (account charge \$29.45) compared to Dominion's \$180.33 (account charge \$9.00), Duke – Carolina's \$184.77 (account charge \$11.96), and Duke – Progress \$183.78 (account charge \$11.78). Mr. Paulling discussed the year-to-date amount of \$256,730 that CarolinaConnect has paid Mid-Carolina in access fees. He stated the Cooperative applied for the Payroll Protection Program loan on the first day it was available on April 3, 2020, and the application is still pending. Mrs. Crepes is working on another application today. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the report.

OPERATIONS: Chairman Sox called on Mr. Wilbur for the Operations report. Mr. Wilbur reported the locations that the Mid-Carolina and Contractor crews worked in March. The right-of-way crews are still working in the Pelion, Hollywood and South Congaree areas. There were 124 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Lake Murray area, and Tomberlin Pole Inspectors are working in the Leesville area. He then reported the new Fiber Service Crew. Mr. Wilbur gave a recap of the storm outages on April 13, 2020. Mr. Paulling discussed underground charges per lot, and stated that he is working with Mr. Wilbur and Mr. Ayers on what the charges should be moving forward. A recommendation will be brought to the Board at the May meeting. 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 routine inspection and maintenance was completed during the month. The contract maintenance of High Side breakers in Coldstream and Lake Murray Substations, and Low Side breakers in Barr and North Congaree Substations was conducted in March.

Mr. Ayers 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 outage charts and notes for March were reviewed and 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 reviewed the write-off amount for the Board's information. He then reported on all of the member messaging that has taken place during COVID-19. Mr. Simpson next discussed the new application, Jostle "AMP", which is being used as an internal communication tool with the employees. The Bright Ideas applications will be available May 1 – August 31, 2020. Mr. Simpson stated that the Cooperative received 99 Touchstone Energy Scholarship applications, and there will be 15 interviews conducted virtually this week. He reported on the *South Carolina Living* schedule through July 2020. 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 30,516 accounts enrolled in SmartHub as of April 1, 2020, which represents 53.3% of active accounts enrolled. In March, 73.2% of all payment transactions were made electronically, and 6.9% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 46.3% of March payments were made by Credit Card. At the Dutch Fork Office, there were 248 payments made through the Verifone in March, and there were 185 payments made through the Verifone at the Lexington Office. Mr. Sturkie reported as of April 1, 2020, there were 1,993 people on Pay As You Go, and as of today, there were 2,100 signed up. He 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 March, the Trust Board received 15 applications, of which 9 were approved for a total donation amount of \$17,843. The Trust Fund balance at the end of the month was \$14,231.

The Board calendars were reviewed through July 2020. Mrs. Ross-Bell reported that the ECSC Summer Conference scheduled for June 1-3, 2020, has been cancelled. 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 accidents in March. He then reported on the recent employment activity. There were two new Line Technician E1 employees that started employment on March 30, 2020. The recruitment for the following open positions have been put on hold: Fleet Technician II, Utility Cable Locator and an Apparatus Technician.

Mr. Paulling gave an update on how COVID-19 is impacting the Cooperative now and moving forward. He then discussed the Cooperative's Strategy Team efforts and how it relates to the Board's Strategy Planning scheduled for July 30-31, 2020. Mr. Paulling next discussed the internal communication platform, Jostle "AMP", which was rolled out to the employees on April 14, 2020. 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 read a thank you note from Mission Lexington for the Cooperative's sponsorship in the recent Lexington Race for Hunger. He then stated that the Committee Assignments will remain the same at this time, with the addition of the Ad Hoc, Governance Committee that was formed last month. Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Mr. Risinger for a report on the Retiree Welfare Benefit Trust Committee that met since the last meeting. Mr. Risinger stated that the Committee had a conference call with Homestead to discuss the appropriate allocation changes that were made in February 2020.

Ms. Kirkland stated the Governance Committee met twice since the last meeting to discuss the statue and what the Cooperative needs to post on the website. She stated that the current format of the Cooperative's minutes will be used, which conforms to the guidelines provided by Mr. Chris Koon. The Cooperative's minutes will be posted on the website starting in August 2020, in accordance with the statute.

Chairman Sox stated the CEO Compensation Committee will start meeting in June 2020. There were no other committee reports at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox reported that CarolinaConnect just passed 10,000 customers this week. He discussed how COVID-19 has affected the workload for CarolinaConnect, with a high volume of new service installations during this time. Mr. Paulling stated that he and Mr. Ayers have been discussing the roll out plan for fiber construction in underground subdivisions. Mr. Ayers gave an update on the status of eight underground subdivisions.

Mr. Frick stated the next Central Board meeting will be held in May 2020.

Ms. Kirkland stated that CEE-US's new President and CEO, Mr. Chad Capps, has implemented a lot of new technology for them. It was perfect timing with the recent challenges in conducting business due to COVID-19.

Ms. Kirkland stated that Statewide's Audit report was good. She then reported that some of the advertisers for the *South Carolina Living* magazine have started pulling out their ads for travel, during this time of dealing with COVID-19. Ms. Kirkland reported that some of the Statewide dues will be coming back to the local Cooperatives, since several conferences have been cancelled. The Youth Tour has been cancelled, but Statewide is trying to find a way to provide some type of interaction with this group.

Mr. Shealy reported nothing to report on the ECSC Trustee Association, since the meeting was cancelled.

Chairman Sox reported that Federated will meet virtually next month.

Mr. Paulling reported that the SC Power Team has been conducting a virtual Economic Development Review every two weeks, which has worked out well. There were no other reports at this time.

AGENDA ITEM # 10

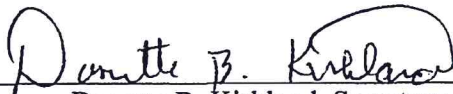
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Shealy to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 11

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

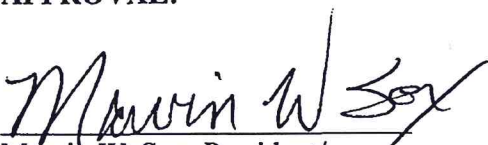
AGENDA ITEM # 12

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

Board Meeting Minutes
April 29, 2020

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

1

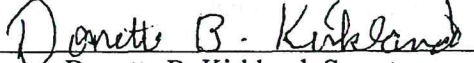
WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the special meeting held on March 10, 2020; and

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the special meeting held on March 16, 2020; and

WHEREAS, the Board of Trustees reviewed and made no changes to the minutes of the last regular Board Meeting held on March 25, 2020;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes of the special meetings held March 10, 2020, and March 16, 2020, as well as the last regular Board Meeting held on March 25, 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 29th day of April 2020, at which meeting a quorum was present.


Donette B. Kirkland, Secretary