

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**LEXINGTON, SOUTH CAROLINA**

**MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES**

**NOVEMBER 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  
Robert A. Wilbur, VP, Operations  
Lee H. Ayers, VP, Engineering  
Keith D. Sturkie, VP, Information Technology  
Vicki E. Ross-Bell, Administrative Services Manager

**ATTORNEY PRESENT:** J. David Black

**INVOCATION:** Keith Sturkie

**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 budget meeting held on October 21, 2020, and the regular monthly meeting held on October 28, 2020. There were no corrections to either of these minutes, and Mr. Risinger made a motion to approve the minutes, as presented. The motion was seconded by Mr. Frick and unanimously passed.

**See Resolution # 1**

### AGENDA ITEM # 3

**UNFINISHED BUSINESS:** Chairman Sox stated the 2021 Proposed Budget was presented to the Board on October 21, 2020, and it was also discussed at the meeting held on October 28, 2020. He asked if there were any questions or comments about the proposed budget that was presented. There were no questions or comments, and Mr. Shealy made a motion to approve the 2021 Budget, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

### See Resolution # 2

There was no other 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 year-to-date revenue was \$108,133,638 which is \$5,601,376 below budget at the end of October. The year-to-date cost of wholesale power was \$66,358,658, which is under budget by \$2,867,649. Year-to-date margins were \$3,662,107, which is \$187,230 below budget. Mrs. Crepes reported that equity was 23.46% at the end of the month for an increase of 0.15%. She then reported the deferred credits account balance changed by \$810,742, and the ending balance was (\$1,211,409).

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,236 kWh in October. Mid-Carolina's average bill was \$155.53 (account charge \$28.50) compared to Dominion's \$146.70 (account charge \$9.00), Duke – Carolina's \$151.29 (account charge \$11.96), and Duke – Progress \$153.42 (account charge \$11.78). Mrs. Crepes discussed the year-to-date amount of \$986,766 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 October. The right-of-way crews are still working in the Circle, Pelion, South Congaree and Spring Hill areas. There were 182 dead trees cut during the month. Mr. Wilbur stated the System Inspectors have completed their work in the Leesville area, and they are now 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 October. He stated that seven 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 130 out of 242. The goal is to have all locations on next year.

Mr. Ayers reported that during semi-annual High Voltage breaker testing at Leesville substation, a failing vacuum interrupter was identified. The breaker was taken out of service immediately. The next day a replacement interrupter was located and installed. He stated that assistance was given to Santee Cooper with replacement of aged metering instrument transformers at New Chapin and Coldstream Substations. This completes the upgrades requested by Santee Cooper. 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 October 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. Paulling for the Member Services report. Mr. Paulling reported on the several recent community events. The Cooperative will not hold their annual retiree luncheon, but the retirees will receive a special recognition note and gift. The CoBank matching funds donations were given to four organizations during the month. 2021 Youth Tour applications that will be available November 1, 2020 through January 31, 2021. He discussed the *South Carolina Living* schedule through March 2021. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the report.

**INFORMATION TECHNOLOGY:** Chairman Sox called on Mr. Sturkie for the Information Technology report. Mr. Sturkie reported there were 31,478 accounts enrolled in SmartHub as of November 1, 2020, which represents 54.5% of active accounts enrolled. In October, 78.2% of all payment transactions were made electronically, and 5.9% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 51.4% of October 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 October 2020 with 3,465 total payments compared to October 2019 with 5,055 total payments. There were 2,529 people on Pay As You Go, as of October 31, 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 October, the Trust Board approved 34 applications out of 45, and donations were doubled again for the Christian Ministries for a total distribution of \$37,955. The Trust Fund balance at the end of the month was \$26,972. Mrs. Ross-Bell stated that Mrs. Daphyne Ridgell has been recommended to fill the vacant unexpired term until May 2021 on the Trust Board that represents District 2. After a discussion, Mr. Watts made a motion to appoint Mrs. Ridgell to the Trust Board. The motion was seconded by Mr. Lunsford and unanimously passed.

**See Resolution # 3**

Mrs. Ross-Bell reviewed the Board calendars through January 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 incidents in October. The Fleet Technician II and Crew Leader positions were filled with an effective date of November 30, 2020. There is ongoing recruitment for several linemen, a System Operator, Energy Services Specialist and a Fiber Splicer/Construction Technician.

Mr. Paulling presented the details of the 2021 Annual Meeting scheduled for April 9, 2021. After a brief discussion, Mr. Shealy made a motion to approve the proposed plans for the 2021 Annual Meeting, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed. 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 reported the Cooperative needed to nominate a "Trustee" Trustee to serve on the CarolinaConnect Cooperative Board. Currently, Chairman Sox serves as the Chairman of CarolinaConnect. Mr. Risinger made a motion for Mr. Marvin W. Sox to serve as the Trustee for CarolinaConnect. The motion was seconded by Mr. Shealy and unanimously passed.

#### **See Resolution # 4**

Chairman Sox stated the Board needs to select a new Trustee to serve on the Central Electric Power Cooperative Board pending Mr. Frick's retirement in 2021. Mr. Risinger and Mr. Best expressed an interest in serving on Central's Board and asked for the Board's consideration. Mr. Risinger was selected by secret ballot to serve on Central's Board effective at Central's Annual Meeting in March 2021. Mr. Risinger will need to participate in Central's Strategic Planning session scheduled for January 2021.

#### **See Resolution # 5**

Chairman Sox had nothing further to report at this time.

### **AGENDA ITEM # 8**

**COMMITTEE REPORTS:** Chairman Sox called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated the Policy Committee met just prior to this meeting and reviewed Board Policy 200 – Insurance Coverage for Active Employees and Exhibit A – Board of Trustees Emeriti. The Committee will meet again in December to finalize the recommendations to the Board. There were no other committee reports at this time.

**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**RESOLUTION**

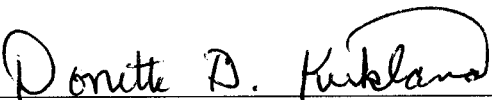
**# 1**

**WHEREAS**, the Board of Trustees reviewed and made no changes to the minutes of the regular budget meeting held on October 21, 2020; and

**WHEREAS**, the Board of Trustees reviewed and made no changes to the minutes of the regular monthly meeting held on October 28, 2020;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes of the minutes for October 21, 2020, and October 28, 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 24<sup>th</sup> day of November 2020, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary

**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**RESOLUTION**

**# 2**

**WHEREAS**, Mr. Paulling presented and explained the Cooperative's proposed budget for 2021 at the annual Budget Presentation meeting held on October 21, 2020; and

**WHEREAS**, Mr. Paulling reviewed the proposed budget for 2021 at the Board Meeting held on October 28, 2020; and

**WHEREAS**, after careful consideration, the Board of Trustees approved the proposed budget for 2021, as presented;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves and adopts the Cooperative's budget for the year 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 24<sup>th</sup> day of November 2020, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary

**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**RESOLUTION**

**# 3**

**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 2; and

**WHEREAS**, the Board of Trustees has decided to appoint Mrs. Daphyne Ridgell to fill the unexpired term;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints Mrs. Daphyne Ridgell 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 24<sup>th</sup> day of November 2020, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary

**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**RESOLUTION**

**# 4**

**WHEREAS**, the Board of Trustees has to nominate a “Trustee” Trustee for the CarolinaConnect Cooperative Board; and

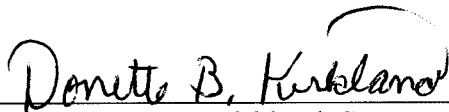
**WHEREAS**, the Board of Trustees desires to make nomination as hereinafter stated;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby makes the following nomination:

**CarolinaConnect Trustee for 2021**

Mr. Marvin W. Sox

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 24<sup>th</sup> day of November 2020, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary



**S.C. 37 LEXINGTON**

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

**RESOLUTION**

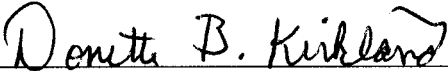
**# 5**

**WHEREAS**, the Board of Trustees need to select a Trustee to serve on the Central Electric Power Cooperative Board, since Mr. Frick is retiring in 2021; and

**WHEREAS**, Mr. Risinger was selected via secret ballot; and

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints Mr. J. Allan Risinger to serve on the Central Electric Power Cooperative Board effective in March 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 24<sup>th</sup> day of November 2020, at which meeting a quorum was present.

  
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Donette B. Kirkland, Secretary

### AGENDA ITEM # 9

**ASSOCIATED MEETING REPORTS:** Chairman Sox called on Mr. Paulling for the CarolinaConnect report. Mr. Paulling stated the CarolinaConnect Board Meeting was held the day prior to this meeting, and he discussed the highlights of their 2021 Proposed Budget. As of November 20, 2020, CarolinaConnect had a total of 12,489 customers.

Mr. Frick reported that Central's Rate to the Cooperative's should be flat over the next couple of years.

Ms. Kirkland stated that ECSC and CEEUS will meet in December.

Mr. Shealy stated that the ECSC Trustee Association had a web meeting earlier this month. The Association plans to have a meeting at the Embassy Suites in Myrtle Beach April 6-8, 2021.

Chairman Sox reported that everything is going well with Federated, and the claims are down.

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

Chairman Sox called on Mr. Bedenbaugh, Mr. Best and Mr. Lunsford to discuss 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. Frick to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

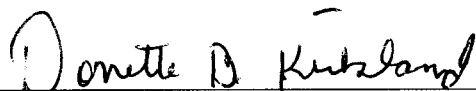
### AGENDA ITEM # 11

**EXECUTIVE SESSION:** During executive session, Mr. Terry McMichael was on a Zoom call to review the Cooperative's Form 990, and no action was taken. Mr. Frick made a motion to reconvene into open session. The motion was seconded by Ms. Kirkland and unanimously passed.

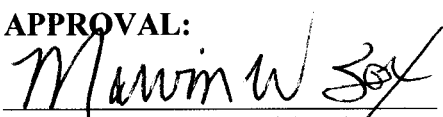
In open session, Mr. Frick made a motion for the Board to approve the review of the Form 990 as information. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

### AGENDA ITEM # 12

**ADJOURNMENT:** There was no further business, and the meeting was adjourned at 3:55 p.m.

  
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Donette B. Kirkland, Secretary

**APPROVAL:**

  
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Marvin W. Sox, President/  
Chairman of the Board