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

**March 25, 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  
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 stated the Staff was not in attendance due to COVID-19, and that Mr. Paulling will present the departmental reports. He then asked if there were corrections, additions or deletions to the minutes of the last regular Board Meeting held on February 26, 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:** Chairman Sox called for any unfinished business.

Mr. Paulling gave an update on Mid-Carolina's operational status during this time of dealing with COVID-19. There are a good many Cooperative employees working remotely during this State of Emergency. The construction crews are working staggered shifts coming into the office.

Chairman Sox said that most of the CarolinaConnect employees are working remotely. They are still connecting internet services right now. The installers are working six days per week, and they installed 100 new services over the last week. All installers have the proper Personal Protective Equipment, and if someone is sick in the customer's home, the installers will reschedule the appointment.

### **AGENDA ITEM # 4**

#### **DEPARTMENTAL REPORTING:**

**ACCOUNTING & HUMAN RESOURCES:** Mr. Paulling presented the Accounting & Human Resources Report. Mr. Paulling reported year-to-date revenue was \$21,889,824, which is \$2,043,039 below budget at the end of February. The year-to-date cost of wholesale power was \$13,251,172, which is under budget by \$1,985,255. Year-to-date margins were \$727,147, which is \$38,017 above budget. Mr. Paulling reported that equity was 23.22% at the end of the month for a decrease of - 0.42%. He reported the deferred credits account balance changed by \$276,403, and the ending balance was (\$2,424,907).

Mr. Paulling then presented a rate comparison chart showing an average residential usage of 1,584 kWh in February. Mid-Carolina's average bill was \$181.88 (account charge \$29.45) compared to Dominion's \$187.48 (account charge \$9.00), Duke – Carolina's \$192.46 (account charge \$11.96), and Duke – Progress \$190.76 (account charge \$11.78). Mr. Paulling discussed the year-to-date amount of \$163,002 that CarolinaConnect has paid Mid-Carolina in access fees.

Mr. Paulling reported on the recent employment activity. The two Line Technician E1 positions have been filled with a start date of March 30, 2020. There was a termination of an Apparatus Technician B on March 13, 2020. The Cooperative is currently recruiting for a Fleet Technician II, Utility Cable Locator and an Apparatus Technician.

**OPERATIONS:** Mr. Paulling presented the Operations report. He reported the locations that the Mid-Carolina and Contractor crews worked in February. The right-of-way crews are still working in the Pelion, Hollywood and South Congaree areas. There were 163 dead trees cut during the month. Mr. Paulling reported the System Inspectors are still working in the Lake Murray area.



**ENGINEERING:** Mr. Paulling presented the Engineering report. He reported routine inspection and maintenance was completed during the month. Mr. Paulling stated fiber drops were installed to more electronic reclosers. He 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 outage charts and notes for February were reviewed and discussed.

**MEMBER SERVICES:** Mr. Paulling presented the Member Services report. He reviewed the write-off amount for the Board's information. Mr. Paulling reported on several events the Cooperative recently sponsored, and several events that have been postponed due to COVID-19. He then stated that the Cooperative received 99 Touchstone Energy Scholarship applications, and the interviews had to be postponed. Mr. Paulling reported on the *South Carolina Living* schedule through June 2020.

**INFORMATION TECHNOLOGY:** Mr. Paulling presented the Information Technology report. He reported there were 30,312 accounts enrolled in SmartHub as of March 1, 2020, which represents 53% of active accounts enrolled. In February, 72.1% of all payment transactions were made electronically, and 11.4% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Paulling reported that 51% of February payments were made by Credit Card. At the Dutch Fork Office, there were 351 payments made through the Verifone in February, and there were 240 payments made through the Verifone at the Lexington Office. Mr. Paulling reported as of March 2, 2020, there were 1,838 people on Pay As You Go. He then gave an update on the Cooperative's Windows 10 Migration and Cyber Security.

**ADMINISTRATION:** Mr. Paulling called on Mrs. Ross-Bell to present the Administration report. Mrs. Ross-Bell referred to the monthly Operation Round-Up report. In February, the Trust Board received 25 applications, of which 14 were approved for a total donation amount of \$27,900. The Trust Fund balance at the end of the month was \$7,060.

Mrs. Ross-Bell then reported the Trust Board made recommended changes to the Bylaws for the Electric Board's approval. The Trust Board is recommending to increase the individual maximum donation amount from \$2,500 to \$3,000, and change LICS' name to Mission Lexington. Mr. Frick made a motion to approve the recommended changes to the Trust Board Bylaws, as presented. The motion was seconded by Ms. Kirkland and unanimously approved.

**See Resolution # 2**

The Board calendars were reviewed through May 2020. Mrs. Ross-Bell reported that the ECSC Summer Conference scheduled for June 1-3, 2020, has not been cancelled at this time. 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 February. He discussed Jostle, an Intranet Application that the Cooperative will start using sometime during the month of April. The Jostle platform will be used to communicate with all employees in a timely manner, regardless of their work location.

Mr. Paulling then presented a loan resolution for Board approval. The Resolution states that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$7,650,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"). Mr. Risinger made a motion to adopt the resolution, as presented. The motion was seconded by Mr. Watts and unanimously passed.

#### **See Resolution # 3**

Mr. Paulling reviewed and discussed the governance requirement that the Board of Trustee's expenses are posted on the Cooperative's website starting in May 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 had nothing 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 called on Mr. Paulling for a report on CarolinaConnect. Mr. Paulling stated that CarolinaConnect's Audit Report has been completed, and he should have financial information to report to the Board in April. CarolinaConnect just passed 9,500 customers this week.



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Ms. Kirkland stated that ECSC and CEE-US have meetings scheduled on April 2, 2020. She gave an update on the Statewide Governance Reporting Meeting that she attended with Mr. Paulling and Mrs. Ross-Bell that was held on March 13, 2020. Chairman Sox will form an Ad Hoc Committee to work on the Governance Reporting with the upcoming deadlines.

Mrs. Ross-Bell reported that the ECSC Trustee Association meeting has been cancelled.

Chairman Sox reported that where Federated is located, they are on lock down. Employees are still filing claims working remotely.

Chairman Sox gave an update on the NRECA Annual Meeting that he attended in New Orleans February 29-March 4, 2020.

Mr. Paulling reported that all of the SC Power Team employees are working remotely. There were no other reports at this time.

**AGENDA ITEM # 10**

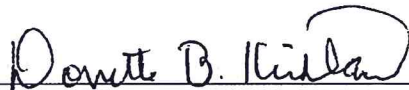
**NEW BUSINESS:** Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Frick to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

**AGENDA ITEM # 11**

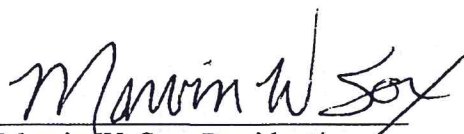
**EXECUTIVE SESSION:** There was no action taking during the executive session.

**AGENDA ITEM # 12**

**ADJOURNMENT:** There was no further business, and the meeting was adjourned at 3:00 p.m.

  
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Donette B. Kirkland, Secretary

**APPROVAL:**

  
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Marvin W. Sox, President/  
Chairman of the Board

Board Meeting Minutes  
March 25, 2020

**S.C. 37 LEXINGTON**  
**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**

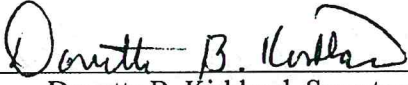
**RESOLUTION**

**# 1**

**WHEREAS**, the Board of Trustees reviewed and made no changes to the minutes of the last regular Board Meeting held on February 26, 2020; and

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes of the last regular Board Meeting held on February 26, 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 25<sup>th</sup> day of March 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**, the Trust Board recommended to increase the individual maximum donation amount from \$2,500 to \$3,000 in the Bylaws; and

**WHEREAS**, the Trust Board also recommended to update LICS's name to Mission Lexington in the Bylaws; and

**WHEREAS**, after careful consideration, the Board approves the recommendations, as presented;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves increasing the individual maximum donation amount from \$2,500 to \$3,000, and change LICS' name to Mission Lexington.

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

  
Donette B. Kirkland, Secretary



**MID-CAROLINA ELECTRIC COOPERATIVE, INC.**  
**Resolution # 3**

**CERTIFICATE OF RESOLUTIONS AND INCUMBENCY**

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 25, 2020; (iii) the meeting was duly and regularly called and held in accordance with the 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 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 establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$7,650,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement 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 to deliver to CFC the Line of Credit Agreement.

**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 said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized 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:

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

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 25<sup>th</sup> day of March, 2020

  
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Donette B. Kirkland, Secretary

(SEAL)