

## **TRI-COUNTY ELECTRIC COOPERATIVE, INC.**

St. Matthews, South Carolina  
Minutes of the Board of Trustees Meeting  
December 27, 2018

Pursuant to due notice thereof, a regular meeting of the Board of Trustees of Tri-County Electric Cooperative, Inc. (hereinafter called the "Cooperative") was held on December 27, 2018, following a budget planning meeting at 4:00 p.m. at the Cooperative's headquarters office in St. Matthews, South Carolina. During the budget planning session, the Board reviewed the 2019 Operating Budget as presented by the CEO, Chad T. Lowder.

The following trustees were present: Ida L. Dixon, Barbara F. Weston, S. George Wilson, Gary F. Geiger, F. Joe Strickland, Jr., William T. Robinson, Willie E. Jeffries, James R. Dantzler, and Jacqueline S. Shaw, these being all the trustees of the Cooperative. Also present were Chad T. Lowder, CEO, John G. Felder, Sr., General Counsel, Russell L. Bauknight, CPA, Frank Furtick, COO, Michael Weeks, CAO, and Cindy Sarratt, who recorded the minutes of the meeting.

### **CALL TO ORDER – INVOCATION**

The meeting was called to order at 6:00 p.m. by General Counsel John G. Felder, who presided until the Election of Officers was held. CEO, Chad T. Lowder, gave the Invocation.

### **MEMBER COMMENT PERIOD**

Four Cooperative members and two members of the press were in attendance to observe the Board of Trustees meeting. No one appeared to comment.

### **ELECTION OF OFFICERS**

The following officers were elected by secret written ballot:

President	-	Barbara F. Weston
Vice-President	-	William T. Robinson
Secretary	-	Jacqueline S. Shaw
Treasurer	-	Gary F. Geiger

### **OATH OF OFFICE**

Following the election of officers, John G. Felder administered the oath of office to the Trustees.

### **REPORTS**

#### **SYSTEM SUMMARY REPORT**

The System Summary Report was accepted as presented by the CEO.

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### **MONTHLY FINANCIAL STATEMENT**

Mr. Lowder presented the Financial Statement for November 2018. Thereafter, on motion by William Robinson, seconded by Willie Jeffries, and carried, the Financial Statement was accepted.

### **NEW MEMBER REPORT**

The CEO reported that 125 new members for November 2018 made application for service and those new members are now actively receiving electric service from the Cooperative. Thereafter, on motion by Gary Geiger, seconded by Jackie Shaw, and carried, the following resolution was approved:

RESOLVED, the applications of new members are hereby accepted and approved.

### **SAFETY REPORT**

Mr. Lowder presented the Safety Report indicating there had been no Lost Time Accidents, No OSHA Recordable accidents, and no employee injuries reported in November 2018. Two vehicle accidents involving collisions with deer were reported, one consumer accident occurred when a pole hit the corner of a shed while employees were installing a new service, and one miscellaneous accident occurred when a pole inspector drilled into conduit while inspecting poles.

Mr. Lowder then presented a Safety Initiative for 2019, "Commitment to Zero Campaign". Thereafter, on a motion by George Wilson, seconded by Willie Jeffries, and carried, the "Commitment to Zero" Safety Initiative for 2019 was approved.

### **UPDATES**

#### **CENTRAL UPDATE**

A contractual matter regarding Central will be taken up in Executive Session.

#### **STATEWIDE UPDATE**

Mr. Lowder reported that Highlights of the December 5, 2018 ECSC Board Meeting are included in the Board Packet. Also included in the Board Packet is a copy of House Bill H.3145 introduced by Representative Russell Ott, which is designed to encourage cooperatives to change some governance modeling and how we operate at the board level. Most of the items

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addressed in the bill are already being done by our Cooperative under the new bylaws. Mr. Lowder informed the board that he received a set of questions from Statewide pertaining to board governance, and the answers are also included in their Board Packet. Mr. Lowder then reviewed the questions and answers.

#### **OLD BUSINESS**

There was no Old Business.

#### **NEW BUSINESS**

##### **CONFLICT OF INTEREST DISCLOSURE FORM**

A copy of Policy #105 Ethics and Conflict of Interest and a Conflict of Interest Certification and Disclosure Form was distributed to each board member. Mr. Lowder requested that every trustee sign and submit a Disclosure Form, indicating any actual or potential conflict that could impact the trustee's compliance with the Policy.

##### **ELECTION OF DELEGATES TO CENTRAL ELECTRIC POWER COOPERATIVE, INC.**

On a motion by Gary Geiger, seconded by George Wilson, and carried, the following resolution was approved:

RESOLVED, that Barbara F. Weston, President, and Chad T. Lowder, CEO be elected to serve as Trustees to Central Electric Power Cooperative, Inc.

FURTHER RESOLVED, that Barbara F. Weston, President, and Chad T. Lowder, CEO, be elected to serve as Delegates to the Annual Meeting of the Members of Central Electric Power Cooperative, Inc. on March 20, 2019.

##### **NOMINATION OF VOTING DELEGATE AND ALTERNATE VOTING DELEGATE TO ECSC, CEE-US, AND LESCO**

On a motion by Gary Geiger, seconded by Joe Strickland, and carried, the board voted to have the same board member serve on the boards of ECSC, CEE-US, and LESCO.

Then, on a motion by Gary Geiger, seconded by Willie Jeffries, and carried, the following resolution was approved:

RESOLVED, that William T. Robinson be elected to serve as the Voting Delegate and Chad T. Lowder be elected to serve as the Alternate Voting Delegate to The Electric Cooperatives of

South Carolina, Inc., Cooperative Electric Energy Utility Supply, Inc., and Line Equipment Sales Company, Inc., effective December 27, 2018.

FURTHER RESOLVED, that William T. Robinson and Chad T. Lowder be elected to serve as trustees to The Electric Cooperatives of South Carolina, Inc., Cooperative Electric Energy Utility Supply, Inc., and Line Equipment Sales Company, Inc., effective December 27, 2018.

**APPOINTMENT OF VOTING DELEGATE AND ALTERNATE VOTING DELEGATE TO NRECA, CFC, CRC, AND NRTC**

On a motion by William Robinson, seconded by Willie Jeffries, and carried, Chad T. Lowder, CEO, was appointed Voting Delegate and Gary F. Geiger, Treasurer, was appointed Alternate Voting Delegate to NRECA (National Rural Electric Cooperative Association), CFC (Cooperative Finance Corporation), CRC (Cooperative Response Center), and NRTC (National Rural Telecommunications Cooperative).

**RATIFICATION OF MOU WITH THE CITY OF ORANGEBURG FOR INFRASTRUCTURE TO TRI-COUNTY GLOBAL INDUSTRIAL SITE**

Mr. Lowder reported that due to contractual deadlines, the Memorandum of Understanding between the City of Orangeburg Department of Public Utilities (DPU) and Tri-County Electric Cooperative to extend water, wastewater and natural gas services to the Tri-County Global Industrial Site located at the intersection of U. S. 601 and Interstate 26 has already been signed by him; however, Orangeburg City Council requested that the board ratify his signature. Thereafter, on a motion by George Wilson, seconded by Willie Jeffries, and carried, the board ratified the Agreement and Understanding with the addition that each segment of the MOU go through a competitive bid process and that the board is made aware of the bid process.

**RESOLUTION – KW SAVINGS PROGRAM RESP (RURAL ENERGY SAVINGS PROGRAM) LOAN**

Mr. Lowder explained that the Cooperatives have the opportunity to participate in a home energy efficiency program. Money has been allocated from Washington, D.C. through the USDA. The Cooperative can draw money down from USDA and loan it to the members to do energy efficient upgrades for houses. The loans will be repaid to the Cooperative via on-bill financing. After a thorough explanation, on a motion by Willie Jeffries, seconded by Joe Strickland, and carried, the following resolution was approved:

**RESOLUTION OF THE BOARD OF TRUSTEES OF TRI-COUNTY ELECTRIC COOPERATIVE, INC. AUTHORIZING A PARTIAL GUARANTY TO SECURE A RURAL ENERGY SAVINGS PROGRAM LOAN**

WHEREAS, the Rural Energy Savings Program (RESP), a new program of the U.S. Department of Agriculture administered through the Rural Utilities Service (RUS), is offering zero-interest loans to eligible entities, including electric cooperatives and entities owned/controlled by such cooperatives, for re-lending to cooperative members to implement energy efficiency projects; and

WHEREAS, KW Savings Co. has applied for and been approved to close on a \$13,000,000 zero-interest loan by the RUS ("the RESP Loan"), part of which is intended to provide a zero-interest loan of up to \$2,500,000 to Tri-County Electric Cooperative, Inc. ("Cooperative") to make loans to its members to implement energy efficiency projects to be repaid to the Cooperative via the Help My House on-bill financing program, and

WHEREAS, the RUS requires KW Saving Co. furnish a Guaranty from each electric cooperative that will receive financing from the proceeds of the RESP Loan before closing,

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees of Tri-County Electric Cooperative, Inc. hereby authorizes and empowers its officers to provide a Guaranty to KW Savings Co., securing the repayment of only such funds as KW Savings Co. may lend Tri-County Electric Cooperative using the proceeds of the RESP loan, and in no event more than \$2,500,000.

**PROGRAMS FOR MEMBERS**

Mr. Lowder discussed that, in addition to the generator program currently being offered to the members and the Rural Energy Savings Program that will be available to the members soon, he would like the board to consider offering solar panels. The business plan for this program will be presented in executive session.

**RESOLUTION – SEPA (SOUTHEASTERN POWER ADMINISTRATION) POWER ALLOCATION**

Mr. Lowder explained that we currently have a small wholesale power allocation from SEPA and we have the opportunity to accept additional allocation from SEPA, which would reduce our

wholesale power cost. Thereafter, on a motion by William Robinson, seconded by Gary Geiger, and carried, the following resolution was approved:

**RESOLUTION OF THE BOARD OF TRUSTEES OF TRI-COUNTY ELECTRIC COOPERATIVE, INC. APPROVING ACCEPTANCE OF ADDITIONAL POWER ALLOCATION FROM SOUTHEASTERN POWER ADMINISTRATION**

WHEREAS, Tri-County Electric Cooperative, Inc. (the "Cooperative") currently receives approximately 4,800 kW of capacity and energy from Southeastern Power Administration ("SEPA") through Central Electric Power Cooperative, Inc.; and

WHEREAS, by letter dated September 28, 2018, SEPA has offered the Cooperative an additional power allocation of 562 kW; and

WHEREAS, the Cooperative believes that incremental SEPA capacity provides the Cooperative a reasonable market hedge against future power costs and desires to accept SEPA's offer for additional capacity.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TRI-COUNTY ELECTRIC COOPERATIVE, INC. AS FOLLOWS:

The Chief Executive Officer is hereby authorized and empowered to take all action necessary to facilitate accepting an additional power allocation of at least 562 kW from Southeastern Power Administration.

**ADOPTION OF 2019 OPERATING BUDGET**

Mr. Lowder offered the proposed 2019 Operating Budget and same was thoroughly discussed in a budget planning session held immediately prior to the board meeting. Thereafter, on a motion by Willie Jeffries, seconded by Jacqueline Shaw, and carried, the 2019 Operating Budget was approved.

**CEO COMMENTS**

**OPERATION ROUND UP**

Mr. Lowder reported that the Operation Round Up program donated approximately \$98,000 to organizations and individuals in 2018. The approximate total donations from 2007 through present is \$1.1 million. On average, \$7,000 is rounded up monthly on members' electric bills.

**TOUCHSTONE ENERGY**

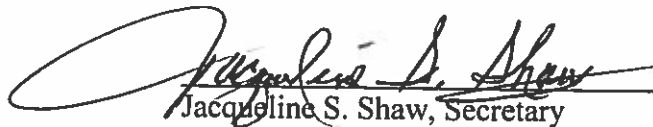
Mr. Lowder gave an explanation of Touchstone Energy, a marketing and member relations program of the co-ops. The cost of joining Touchstone Energy for 2019, \$16,000, has been budgeted.

**EXECUTIVE SESSION**

On a motion by Gary Geiger, seconded by William Robinson, and carried, the board entered executive session to discuss legal and contractual matters. Then, on a motion duly made, seconded, and carried, the board returned to regular session after having taken no action in executive session.

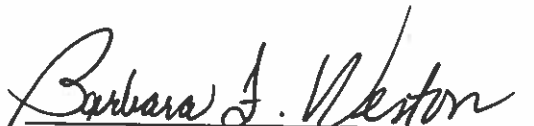
**ADJOURNMENT**

There being no further business, on a motion by George Wilson, seconded by Jacqueline Shaw, and carried, the meeting adjourned at 9:05 p.m.



Jacqueline S. Shaw, Secretary

APPROVED:



Barbara F. Weston, President