

Minutes
SOUTHSIDE ELECTRIC COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 17, 2022 @ 1:30 PM
SEC HQ BOARDROOM

PRESENT: Frank W. Bacon (Chair)
Earl C. Currin, Jr. (Vice Chair)
Paul S. Bennett (Secretary)
Charles J. Friedl (Treasurer)
Brenda H. Johnson
Clive C. Pettis, Sr.
Sarah W. Saunders
William T. White

Frank F. Rennie (General Counsel)
Lori T. LaPradd (Minute Taker)

STAFF: Jason C. Loehr, President/CEO
George A. Felts, VP of Engineering & Operations
Carol B. Myers, Chief Financial Officer
Jacob H. McCann, VP of Human Resources
Ronald O. White, VP of Governmental & Regulatory Affairs
Sheena L. Lankford, VP of Member Engagement & Communications

Dr. Frank Bacon presided, and Ron White gave the invocation.

PREVIOUS MINUTES

On motion made and seconded:

The Minutes of the October 22, 2022, Board Meeting are approved.

MOTION CARRIED

ODEC REPORT

The ODEC report was given by Dr. Earl Currin and Jason Loehr.

PRESIDENT/CEO'S REPORT

1. The SEC Financial and Statistical report for October 2022 was reviewed and is attached to and made a part of the Minutes.
2. The Board was provided information regarding cybersecurity events during the month of October 2022.
3. The Institute of Electrical & Electronics Engineers (IEEE) outage data for October 2022 was reviewed in detail:

IEEE Outage Data

- a. System SAIDI, and CAIDI were above historical values for the month (indicating poorer than historical performance) while SAIFI was below historical values (indicating better than historical performance).
- b. Approximately 22 minutes of the 26 minutes of SAIDI for the month was accumulated on the 1st and was a direct result of Hurricane Ian.
- c. There were no Appalachian Power Company (APCO) or Dominion Energy supply outages for the month.
- d. There were no Major Event days in October.

Operations

- a. Outage causes:
 - Trees 52.0% or 177 outages; 151 outside the right-of-way
 - Unknown 8.0% or 27 outages
 - Animals 10.0% or 35 outages
 - Fault/Failure 11.0% or 36 outages
 - Maintenance/Planned 4.0% or 14 outages
 - Weather 3.0% or 9 outages
 - Decay/Age 6.0% or 20 outages
 - Public 5.5% or 19 outage
- b. New service activity was below average for the month of October when compared to historical levels for the previous three years.

4. HR and Safety Report

- a. There were no lost-time injuries in October.
- b. As of October 31st, employees have worked 52 days without a loss time accident.

NEW BUSINESS

1. The authorization was requested to continue giving employees a Christmas bonus (\$100 net per employee) which will total approximately \$14,800.

On motion made and seconded:

Christmas bonuses have been approved at \$100 per employee.

MOTION CARRIED

2. Ron White provided an overview of the 2022 Mid-Term House, Senate, Governors, and Local Elections along with the possible impacts to SEC.
3. General Counsel evaluation forms were provided in OnBoard for directors to complete. The evaluation will be conducted at the December Board meeting.

ACTION: Forms are to be returned to Chair Frank Bacon by November 30, 2022.

4. George Felts presented a plan to swap transformers in an effort to optimize utilization and address potential loading issues at Center Star and Cherry Hill substations.

UNFINISHED BUSINESS

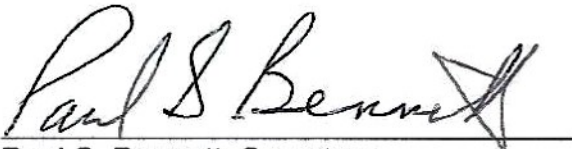
1. A portion of the 2021 Key Ratio Trend Analysis (KRTA) Data was presented to the Board. This report is published annually by the National Rural Utilities Cooperative Finance Corporation (CFC) and it tracks 145 financial and operational ratios for 812 participating electric distribution cooperatives nationwide and 15 cooperatives in the SEC state grouping.


LEGAL REPORT

1. Frank Rennie reported on outstanding legal matters around the state in addition to those impacting SEC directly.

EXECUTIVE SESSION, DIRECTOR COMMENTS/CONCERNS & ADJOURNMENT

The meeting adjourned at 3:28 p.m. The next meeting of the Board of Directors is scheduled for Thursday, December 15, 2022, at 1:30 p.m. at the SEC Headquarters Boardroom


Paul S. Bennett, Secretary


Frank W. Bacon, Chair


Lori LaPradd, Minute Taker

Statements of Cash Flows
Southside Electric Cooperative

	Period ended October 31, 2022	Period ended October 31, 2021
Cash flows from operating activities		
Electric revenue received	\$ 112,137,234	\$ 100,999,462
Power supply paid	(57,550,959)	(51,346,691)
Operating expenses paid	(33,151,955)	(45,862,486)
Interest received	82,164	243,510
Interest paid	(4,155,147)	(4,381,463)
FEMA monies received	1,318,666	-
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<i>Cash flows provided by operating activities</i>	18,680,003	(347,668)
Cash flows from investing activities		
Investment in electric plant, net	(12,362,371)	(9,682,451)
Installment loans issued	(1,875,679)	(1,293,293)
Proceeds from retirement of CTC's	24,415	18,063
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<i>Cash flows used in investing activities</i>	(14,213,636)	(10,957,681)
Cash flows from financing activities		
Proceeds from lines of credit	3,000,000	9,000,000
Payments on lines of credit	(3,000,000)	-
Proceeds from long term debt	6,099,636	3,582,368
Principal payments on long term debt	(8,505,421)	(8,099,392)
Capital credits paid to members, net	(202,516)	(500,915)
Proceeds from capital credits	1,255,311	275,848
Deposits collected from customers	177,842	36,591
Net change in memberships	345	2,000
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<i>Cash flows (used) provided by financing activities</i>	(1,174,804)	4,296,500
Net change in cash	3,291,564	(7,008,849)
Cash at December 31, 2021 and 2020	<hr/>	<hr/>
	3,626,391	10,167,596
Cash at October 30, 2022 and 2021	<u><u>\$ 6,917,954</u></u>	<u><u>\$ 3,158,747</u></u>

PART D. CONSUMER SALES AND REVENUE DATA					October 2022		
CLASS OF SERVICE	THIS MONTH				YEAR-TO-DATE		
	No. Receiving Service a.	kWh Sold b.	Amount c.	No. Minimum Bills d.	Avg. No. Receiving Service e.	kWh Sold Cumulative f.	Amount Cumulative g.
1. Residential Sales (excl seas.)	56,026	46,652,315	7,266,001	13	55,890	641,246,426	91,118,653
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind 1000 KVA or Less	1,987	4,625,604	639,396	5	1,988	49,637,107	6,011,605
5. Comm. & Ind Over 1000 KVA	17	5,669,651	588,378	0	17	56,477,666	4,958,225
6. Public St. & Highway Lighting							
7. Other Sales to Public Authority	447	4,423,315	542,470	1	448	48,123,480	5,147,360
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Other							
10. (1 thru 9)	58,477	61,370,885	9,036,246	19	58,343	795,484,679	107,235,843
11. Other Electric Revenue	xxxxxxxxxxx	xxxxxxxxxxx	99,622	xxxxxxxxxxx	xxxxxxxxxxx	xxxxxxxxxxx	1,034,413
12. Total (10 + 11)	xxxxxxxxxxx	xxxxxxxxxxx	9,135,868	xxxxxxxxxxx	xxxxxxxxxxx	xxxxxxxxxxx	108,270,256

PART D. CONSUMER SALES AND REVENUE DATA					
ITEM	THIS MONTH a.	YEAR-TO-DATE b.	ITEM	THIS MONTH a.	YEAR-TO-DATE b.
1. Net kWh Generated			6. Office Use	148,652	1,915,848
2. kWh Purchased	65,818,786	821,529,561	7. Total unaccounted For (4 less 5 & 6),	4,299,249	24,129,034
3. Interchange kWh - Net			8. Percent System Loss (7/4)x100 . .	6.53	2.94
4. Total kWh (1 thru 3)	65,818,786	821,529,561	9. Maximum Demand (kW)	163,365	273,185
5. Total kWh - Sold	61,370,885	795,484,679	10. Month When Maximum Demand Occurred . . .		January 2022