

MINUTES
SOUTHSIDE ELECTRIC COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
JANUARY 21, 2021 @ 1:30 P.M.
HEADQUARTERS BOARD ROOM

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

Frank F. Rennie (General Counsel)
Christine Marston (Minute Taker)

STAFF: Jeffrey S. Edwards, President/CEO
Bradley V. Furr, VP of Operations
George A. Felts, VP of Engineering
Jason Loehr, VP of Finance & Corporate Services
Jacob McCann, VP of Human Resources
Ronald O. White, VP of Member & Public Relations

Guest(s): Ian Hix, Director of Safety
Lloyd Lenhart, Director of Community Relations

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

PREVIOUS MINUTES

On motion made and seconded:

The Minutes of the December 17, 2020 Board Meeting are approved.

MOTION CARRIED

ODEC REPORT

The ODEC report was given by Earl Currin.

PRESIDENT/CEO'S REPORT

1. The IRS 990 Questionnaire was distributed and reviewed, along with Board Policy 206 – Conflict of Interest, which are required annually. Each director is required to sign the acknowledgement form associated with Policy 206.

ACTION: Questionnaires and acknowledgement form are to be turned in by the March 2021 Board meeting.

2. The Board was provided information regarding cybersecurity events during the month of December 2020.
3. The Institute of Electrical & Electronics Engineers (IEEE) outage data, safety report and staking workload summary for December 2020 were reviewed in detail:

IEEE Outage Data

- a. System SAIDI, SAIFI and CAIDI were above historical values for the month.
- b. There were no power supply outages for the month.
- c. There were no Major Event days in December.
- d. Outage activity related to rain/ice/wind on December 5th, 16th & 24th dominated the month.
- e. There were several other larger outages caused by logging damage to the system and several unknown issues.
- f. Year-end SAIDI and SAIFI were above the 2020 goals while CAIDI was below.

Safety Report

- a. There were no lost-time injuries in December.
- b. As of December 31st, employees have worked 976 days without a lost time injury.

Staking Workload Summary

- a. New service appointments were average for December while miscellaneous appointments remained below average for the month.
 - b. Average business days to next appointment is approximately 4 days.
 - c. Total Work Orders were down at 124.
 - d. There was a decrease in new service work orders for a total of 18.
3. Emergency Response Plan (ERP) annual review/exercise was reviewed:
 - a. Created in response to Rural Utilities Service (RUS) requirements following September 11, 2001.
 - b. The ERP was created December 9, 2005 and must be reviewed and/or exercised annually.
 - c. Staff collaborated on review and update of the ERP using SharePoint.
 - d. All sections of the ERP were reviewed and updated to reflect new/changed reporting roles.

- e. Updated several stand-alone documents that support the ERP.
 - f. Reviewed the Business Continuity Plan to support the ERP.
 - g. All documents are stored on the employee Intranet site for improved accessibility.
 - h. No storm activity in 2020 that surpassed the activation threshold.
 - i. Staff performed a tabletop exercise on December 7, 2020.
 - j. Exercise event described a winter ice storm that evolved through four specific scenarios:
 - Step I - Preplanning
 - Step II - Impact
 - Step III – System Operations Center event
 - Step IV - Aftermath
 - k. During 2021, review the ERP and update/add the following:
 - Work from home procedures learned during the COVID-19 response in 2020
 - The use of Penske for fleet support
 - Use of drones
 - COVID-19 protocols
 - Update the ERP to include the Survey 123 apps to capture FEMA damage information
 - l. Confirm the ERP is a living document.
 - m. Develop a working group to review issues specific to the loss of key systems of the Headquarters facility.
 - n. Communicate to the employees the need for photographic documentation while the storm event is unfolding.
4. Operations Update:
- a. New service activity was down 1.67% for the month of December with 64 work orders.
 - b. Outage activity (minutes) with major event days removed were in line with historical data:
 - Central – 85
 - Eastern – 30
 - Northern – 24
 - Western – 67
 - c. December outage causes:
 - Trees 41.0% or 84 outages; 75 outside the right-of-way
 - Unknown 14.5% or 30 outages
 - Fault/Failure 13.0% or 27 outages

- Animals 11.0% or 23 outages
 - Decay/Age 9.5% or 20 outages
 - Public 5.0% or 10 outages
 - Maintenance/Planned 5.0% or 10 outages
 - Other 0.5% or 1 outage
 - Weather 0.5% or 1 outage
- d. Tree related outages from 2014 through December year-to-date with Major Event Days:
- 2014 = 870 outages
 - 2015 = 1,066 outages
 - 2016 = 1,025 outages
 - 2017 = 1,029 outages
 - 2018 = 2,314 outages
 - 2019 = 1,759 outages
 - 2020 = 1,599 outages
- e. December outages by District:
- Central 25% (85 outages affecting 4,623 members)
 - Eastern 2% (30 outages affecting 217 members)
 - Northern 8% (24 outages affecting 710 members)
 - Western 25% (67 outages affecting 4,374 members)
- f. December SAIDI switching savings:
- Realized 17.5 minutes (83%)
 - Saved by automation (SCADA) switching 3.4 minutes (16%)
 - Saved by manual switching 0.2 minutes (1%)
- g. December SAIDI per District:
- Central 8.4 minutes
 - Eastern 0.3 minutes
 - Northern 0.5 minutes
 - Western 8.3 minutes
- h. December SAIFI per District:
- Central 0.081 events
 - Eastern 0.004 events
 - Northern 0.012 events
 - Western 0.076 events
- i. December CAIDI per District:
- Central 104 minutes
 - Eastern 85 minutes
 - Northern 43 minutes

- Western 108 minutes
 - j. There were 151 circuit outages in December.
 - k. Fleet update will be given in February.
- 5. Tracking receivables during the disconnect moratorium, these will be presented at next month's meeting. SEC is exceeding the 1% threshold for the Cares Act. The Cooperative has received 20% of the applications that it could receive under the Cares Act. Employees are working diligently with members to get those applications returned so that the Cooperative will be able to use the funds received. The State has extended the deadline for receiving applications. The Association Cooperatives will be meeting to make a determination on how far to extend the receipt of applications.
- 6. Employees are still being impacted by COVID, either by testing positive or being exposed to others with COVID. The new strain is a cause for concern because of a possible increase in cases in the Spring. This new strain of COVID is much more easily spread.
- 7. Surveying employees to see how many would take the COVID vaccine when available. At this point, 57% of 50 employees who have responded to the survey have indicated that they would not take the vaccine if offered.
- 8. Lobbying information will come out today from the Association which will be distributed for your review as soon as received. Ron's group is setting up groups for the virtual visits and participants will be notified as to the times of these important visits.
- 9. The Cooperative had a great safety record in 2020 and the efforts by the employees to work safely during the year is appreciated. The Board's support of the safety culture is important and appreciated. The employees responded positively to the recent Safety Meeting and bonus.

NEW BUSINESS

1. 2020 Safety Improvement Plan Achievements & 2021 Plan Goals:
 - a. Integral part of the RESAP (Rural Electric Safety Achievement Program) process.
 - b. Developed following the last RESAP in 2018.
 - c. High level goals established to direct improvements over the next RESAP period (2019 – 2021).
 - d. Refinements are made to the plan and actionable items/activities are created for that given year.
 - e. The plan is always evolving and will be created new following the RESAP in 2021.

f. Initiatives:

▪ 2020 Action Items:

- Continue Near Miss training based on developed 2020 goals and measure training retention.
- Safety Committee will develop multi-tier incentive program based on impact of safety suggestions.
- Continue to develop and implement improved dissemination of incident investigation results to employees.
- Deploy safety culture survey and draft plans to implement corrective action for climate improvement.
- Utilize budgeted training retention tool (Kahoot) at least two times per quarter.
- Develop presentation materials and delivery options to improve member and public safety.

▪ 2020 Achievements:

- Total near misses reported 26; average of 6.5 reports per quarter.
- Safety Committee determined employees should not be rewarded for their desire to improve the organization's safety culture.
- Determined most efficient plan would be to stress greatest findings and preventative measures through already developed avenue.
- Employee engagement survey through NRECA deployed with 78% completion rate.
- Eight Kahoot sessions deployed.
- Member and public safety education materials developed.

▪ 2021 Action Items:

- Promote and review the monthly safety metrics to heighten awareness of yearly comparisons.
- Elevate promoting the significance of participation and the ease of completing each Kahoot session.
- Determine more efficient platform for completing incident and near miss documentation to more effectively pinpoint shortcomings.
- Increase the needed sense of personal responsibility to identify and address commonly reviewed workplace hazards.
- Improve the utilization and structure of Kahoot sessions to better track progress.

- A Commitment to Zero Contacts campaign tailored to SEC members and the public will be deployed to provide further instruction for being safe around electricity.

2. 2021 Virtual SEC Annual Meeting:

- a. Due to the cancellation of last year's meeting and the potential of the pandemic continuing this year, the Cooperative is preparing for a virtual style meeting in the event it will be necessary.
- b. A virtual meeting will provide an opportunity to engage the entire membership in the Cooperative's Annual Meeting, even those in the farthest regions, while meeting the requirements of our governance and Bylaws.
- c. The meeting will drive members to the SEC homepage where they will be able to access the virtual meeting homepage along with links to the agenda and other items pertaining to the annual meeting through Social Media and other platforms.
- d. Once a member accesses the Annual Meeting homepage, they will have an opportunity to register, access the agenda, register for giveaways and view Cooperative partners/vendors.
- e. Productive AV and Letterpress Communication can assist with the online meeting and enhancement of the members' experience, including the creation of videos, bringing creativity to help elevate the event.
- f. Recommends two podiums to speed up transition from speakers and add graphics introducing the speakers.
- g. By having the meeting virtually, the Cooperative would be able to catalogue the meeting and add it to the website.
- h. Members would be encouraged to preregister.
- i. Can enhance the virtual meeting by providing prerecorded material of several agenda items, information about the various departments at the Cooperative, interactive links, highlight scenery throughout the districts, etc.
- j. Recommend adding a survey with SEC related questions, offering multiple choice answers and having the membership text their answers to a designated phone number.
- k. Members could submit questions for the Q&A session of the meeting in advance. They would receive a real-time response indicating if the answer is not provided during the meeting that a staff member would respond to their inquiry in a predetermined number of days.
- l. Add educational recordings on projects, tree-trimming, lineman equipment, etc. Provide information on energy audits, electric vehicles and solar.

- m. Promote SEC Community Energizer awards, recognizing members who have gone above and beyond in their communities.
- n. Offer gifts and prizes to incentivize registration and participation.
- o. Prize drawings for members who submit a proxy and/or attend the virtual meeting.
- p. Members can complete a brief survey at the conclusion of the meeting to gather information, responses and suggestions.
- q. Agenda would remain the same as the in-person event.
- r. Cover all required items from the Bylaws.
- s. Proxies to be handled by Survey and Ballots; mail in and online. Recommended changing the due date of the proxies to the Thursday prior to the Virtual Event. Survey and Ballots would tabulate the results of the proxies as well as the votes submitted online.
- t. Use SmartHub for proxies, voting and submitting any questions for the Q&A session.
- u. Include a link to director/candidate bio and video under "Meet Your Candidates". Bios will also be included on the dust cover of the Cooperative Living magazine.
- v. Offer the Annual Meeting through TeleTown Hall LLC for members without Broadband; audio only. Members must preregister and provide a phone number to be called during the event.
- w. Promote the annual meeting on various media platforms.
- x. Next steps:
 - Confirm possible Bylaw changes
 - Reserve traditional meeting vendors
 - Plan and record department videos
 - Develop process and promotion of SEC Community Energizer Awards
 - Work with AV companies to lockdown options
 - Work with Survey and Ballots for online proxy submission using SmartHub
- y. Planning on having a live event but will review in the Spring.
- z. Online voting and virtual meetings will continue to be reviewed moving forward.
- aa. May have to develop an electronic signature petition for director/candidates to use.

ACTION: Ron White to look into call-in voting options. Ron White and Frank Rennie to continue working on Bylaw changes for review by the Board at the February 2021 meeting and consideration at the March 2021 meeting.

3. In preparation for the National Rural Electric Cooperative Association (NRECA) PowerXchange and TechAdvantage meeting a selection of a voting delegate and alternate are needed:

- Voting Delegate: Frank Bacon
- Alternate: Jeff Edwards

On motion made and seconded:

The NRECA voting delegate and alternate are approved as appointed.

MOTION CARRIED

4. In preparation for the National Rural Electric Cooperative Association (NRECA) PowerXchange and TechAdvantage meeting a selection of a voting delegate and alternate are needed for the National Rural Telecommunication Cooperative (NRTC):

- Voting Delegate: Jeff Edwards
- Alternate: Frank Bacon

On motion made and seconded:

The NRTC voting delegate and alternate are approved as appointed.

MOTION CARRIED

5. The Tarheel Electric Membership Association (TEMA) selection of a voting delegate and alternate are needed:

- Voting Delegate: Earl C. Currin, Jr.
- Alternate: Jeffrey S. Edwards

On motion made and seconded:

The TEMA voting delegate and alternate are approved as reappointed.

MOTION CARRIED

UNFINISHED BUSINESS

The remaining portion of the 2019 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 813 participating electric distribution cooperatives nationwide and 15 cooperatives in the SEC state grouping over the previous 10 years. The Cooperative continues to show strength and improvement in all areas of the KRTA.

LEGAL REPORT

1. The attorney who is representing the Cooperative through Federated Insurance has received all medical records on the plaintiff in the case pending against the Cooperative and one of its employees.
2. A Motion to Dismiss was filed in the lawsuit that was filed in the US District Court western division in Charlottesville to challenge the Virginia legislation regarding

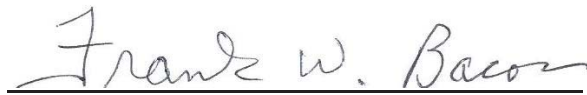
broadband easements and allowing broadband providers to use existing electric/cooperative easements to place broadband facilities.


3. Management is reviewing Bylaw requirements for the annual meeting options as discussed.

DIRECTOR COMMENTS/CONCERNS & ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 3:28 p.m. The next meeting of the Board of Directors is scheduled for Thursday, February 21, 2021 at 1:30 p.m.


Paul S. Bennett, Secretary


Frank W. Bacon, Chair


Christine Marston, Minute Taker