

**SOUTHSIDE ELECTRIC COOPERATIVE  
MEETING OF THE BOARD OF DIRECTORS  
MARCH 16, 2023 @ 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  
Kristie Martin-Wallace  
Clive C. Pettis, Sr.  
Sarah W. Saunders  
William T. White  
  
Frank F. Rennie (General Counsel)  
Lori T. LaPradd (Executive Assistant)

**STAFF:** Jason C. Loehr, President/CEO  
George A. Felts, VP of Engineering & Operations  
Jacob McCann, VP of Human Resources & Safety  
Ronald O. White, VP of Member & Public Relations  
Sheena L. Lankford, VP of Member Engagement & Communications

**GUEST(S):** Steve Gilliam, Chris Yeatman and Ashley Stanley of Adams, Jenkins & Cheatham

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

**PREVIOUS MINUTES**

On motion made and seconded:

**The Minutes of the February 16, 2023, Regular Board Meeting are approved.**

**MOTION CARRIED**

## **AUDIT REVIEW**

Frank Bacon introduced Steve Gilliam, Chris Yeatman and Ashley Stanley of Adams, Jenkins & Cheatham to present the SEC 2022 Year-End Financial Audit. A detailed and thorough review of the audit was given. The auditors provided an unmodified opinion which is the highest level of assurance that can be given under Generally Accepted Auditing and Government Auditing Standards.

Upon completion of the review of the audit details, the auditor entertained questions from the Board. A copy of the audit will be attached to and made a part of the minutes.

On motion made and seconded:

**The 2022 Year-End Financial Audit presented by Adams, Jenkins & Cheatham is approved as presented.**

**MOTION CARRIED**

## **ODEC REPORT**

Dr. Earl Currin and Jason Loehr provided the ODEC report.

## **PRESIDENT/CEO'S REPORT**

1. The SEC Financial and Statistical report for February 2023 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 February 2023.
3. The Institute of Electrical & Electronics Engineers (IEEE) outage data and safety report for February 2023 were reviewed in detail:

### IEEE Outage Data

- a. Systems SAIDI, SAIFI and CAIDI were all below historical values for the month.
- b. There were no significant power supply outages for the month.
- c. There were no Major Event Days during the month.

### Operations:

- a. A total of 78 new service orders were completed during February.
- b. Outage causes:
  - Trees 33.0% or 66 outages; 11 outside the right-of-way
  - Maintenance/Planned 13.0% or 27 outages
  - Fault/Failure 15.0% or 30 outages
  - Animals 14.0% or 29 outages
  - Unknown 8.5% or 17 outages
  - Decay/Age 10.0% or 19 outages

- Public 6.0% or 12 outages
- Weather 0.5% or 1 outage

#### 4. HR and Safety Report

- The average number of employees for the month of February was 136.
- There were no lost-time injuries in February 2023.
- As of March 13, 2023, employees have worked 171 days without a loss time event.

#### 5. Legislative Update

- Ron White presented an updated 2023 Legislative Update.
  - General Assembly lookback
  - Legislative outlook for 2023

### **NEW BUSINESS**

#### 1. Emergency Response Plan (ERP) Update was given by George Felts.

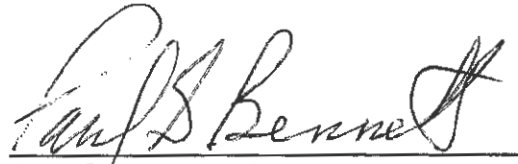
- All sections of the ERP were reviewed and updated to reflect new/changed reporting roles.
- Focus Areas:
  - Pre-storm planning updates
  - Departmental Activity Updates
  - Role updates/Personnel contacts
- All documents are stored on the employee Intranet site for improved accessibility. This is a confidential document that is not distributed. Rural Utilities Service (RUS) will review and verify that the ERP is in place when they perform their reviews.
- Tropical Storm Ian impacted the area from September 30, 2022, through October 2, 2022, and surpassed the activation threshold and became a documented event. Event documentation will be included in the ERP for historical purposes.

### **LEGAL REPORT**

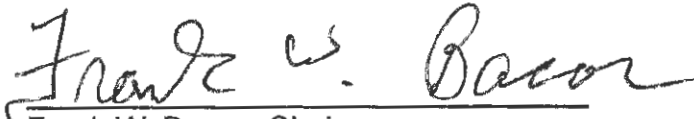
- Frank Rennie reported on outstanding legal matters around the state in addition to those impacting SEC directly.

### **EXECUTIVE SESSION, DIRECTOR COMMENTS/CONCERNS & ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 3:52 pm. The next meeting of the Board of Directors is scheduled for Thursday, April 20, 2023, at 1:30 pm in the Headquarters Boardroom.



Paul S. Bennett, Secretary



Frank W. Bacon, Chair



Lori T. LaPradd, Minute Taker

STATEMENT OF GENERAL FUNDS AND OTHER ASSETS  
March 31, 2023

<u>General Fund</u>	
Cash in Banks	3,349,752.43
<u>General Funds Invested</u>	
CFC - CTC's	1,977,666.02
CFC - Patronage Capital	3,366,499.85
Federated Insurance Corporation	579,787.00
TEC Trading Incorporated	622,500.00
Town of Hurt	1,000.00
<u>Notes and Accounts Receivable</u>	
Electric Consumer	8,476,194.75
Other Accounts Receivable	27,564,092.45
	45,937,492.50
Material and Supplies in Stock	3,891,149.00
Construction Work in Progress to be Paid from Construction Funds	0.00
TOTAL	49,828,641.50
Construction Funds Available First Citizens Bank	0.00

NOTES STATISTICS

	<u>CFC</u>	<u>RUS &amp; FFB</u>	<u>COBANK</u>	<u>CFC, COBANK &amp; FIRST CITIZENS BANK</u>
Balance Available for Advance				34,000,000.00
Gross Obligations	37,998,604.35	157,071,208.34	10,477,250.17	4,000,000.00
Interest Paid This Year	471,480.83	1,104,822.70	110,396.94	13,979.05

## Southside Electric Cooperative For the Month Ending March 2023

### Comparative Operating Statistics

	Y-T-D 2022	Y-T-D 2023	March 2023
New Services Connected	181	222	84
Meters Removed	521	426	158
Meters Reinstalled	328	342	135
Services Idle, Excluding Seasonal	4,270	4,637	4,637
Number of Services Retired	16	12	5
Total Consumers Receiving Service	58,314	58,700	58,700
Total Miles Energized	8,412	8,456	8,456

### Meters Installed - New Services

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
January	52	83	72	61	40	70
February	52	48	49	31	41	68
March	41	66	58	47	100	84
April	52	55	53	90	48	
May	52	72	70	75	59	
June	54	42	43	83	74	
July	67	79	69	63	54	
August	72	68	63	70	84	
September	50	62	57	71	76	
October	47	90	75	88	64	
November	45	31	33	68	65	
December	32	71	68	77	54	
Total	616	767	710	824	759	222

04/14/2023 11:41:13 pm

**General Ledger**  
**Financial And Operating Report Electric Distribution**

Page: 1

**INCOME STATEMENT FOR MAR 2023**

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	34,099,849.60	35,501,300.89	38,027,727.99	11,487,264.75	10,826,501.33
2. Power Production Expense	0.00	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	17,813,440.91	20,410,013.21	22,264,289.00	6,255,256.08	6,241,958.00
4. Transmission Expense	1,814.24	34,534.55	10,059.00	4,216.08	3,353.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,133,714.41	1,249,142.68	1,288,695.00	443,562.39	429,565.00
7. Distribution Expense - Maintenance	6,346,799.76	4,229,885.44	4,193,882.00	1,652,114.04	1,396,294.00
8. Customer Accounts Expense	561,488.89	491,825.20	611,745.99	192,509.82	198,915.33
9. Customer Service and Informational Expense	798,192.17	884,360.12	841,041.00	276,722.00	270,347.00
10. Sales Expense	113,555.49	150,129.26	155,898.00	65,751.25	51,966.00
11. Administrative and General Expense	1,492,595.83	1,550,396.52	1,668,546.00	529,057.36	527,157.00
12. Total Operation & Maintenance Expense (2 thru 11)	28,261,601.70	29,000,286.98	31,034,155.99	9,419,189.02	9,119,555.33
13. Depreciation & Amortization Expense	3,024,769.97	3,106,661.17	3,105,249.99	1,036,130.91	1,035,083.33
14. Tax Expense - Property & Gross Receipts	436,941.00	432,600.00	432,600.00	144,200.00	144,200.00
15. Tax Expense - Other	0.00	0.00	0.00	0.00	0.00
16. Interest on Long-Term Debt	1,268,260.80	1,686,700.47	1,640,949.00	591,951.95	546,983.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	15,060.89	33,538.03	28,752.00	7,197.58	9,584.00
19. Other Deductions	3,324.49	51,459.96	15,000.00	2,673.04	5,000.00
20. Total Cost of Electric Service (12 thru 19)	33,009,958.85	34,311,246.61	36,256,706.98	11,201,342.50	10,860,405.66
21. Patronage Capital & Operating Margins (1 minus 20)	1,089,890.75	1,190,054.28	1,771,021.01	285,922.25	-33,904.33
22. Non Operating Margins - Interest	24,965.59	23,204.10	34,998.00	7,966.50	11,666.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00	0.00
25. Non Operating Margins - Other	3,095,513.80	4,034.82	-3,750.00	1,662.74	-1,250.00
26. Generation and Transmission Capital Credits	174,999.99	178,041.99	174,999.99	61,375.33	58,333.33
27. Other Capital Credits and Patronage Dividends	193,751.90	136,283.82	145,000.00	136,283.82	145,000.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	4,579,122.03	1,531,619.01	2,122,269.00	493,210.64	179,845.00
Operating - Margin	4,579,122.03	1,531,619.01	2,122,269.00	493,210.64	179,845.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.86	1.71			
Times Interest Earned Ratio - Net	4.61	1.91			
Times Interest Earned Ratio - Modified	4.32	1.72			

04/14/2023 11:41:14 pm

Page: 1

**General Ledger**  
**Financial And Operating Report Electric Distribution**

**BALANCE SHEET FOR MAR 2023**

	Last Year	This Year	Variance
<b>ASSETS AND OTHER DEBITS</b>			
1. Total Utility Plant in Service	386,566,010.79	397,101,913.99	10,535,903.20
2. Construction Work in Progress	11,346,973.47	6,352,808.03	-4,994,165.44
3. Total Utility Plant (1 + 2)	397,912,984.26	403,454,722.02	5,541,737.76
4. Accum. Provision for Depreciation and Amort.	145,204,643.20	153,345,902.47	8,141,259.27
5. Net Utility Plant (3 - 4)	252,708,341.06	250,108,819.55	-2,599,521.51
6. Non-Utility Property (Net)	12,716.57	9,599.70	-3,116.87
7. Invest. in Subsidiary Companies	0.00	0.00	0.00
8. Invest. in Assoc. Org. - Patronage Capital	51,850,414.49	52,761,118.37	910,703.88
9. Invest. in Assoc. Org. - Other - General Funds	2,552,433.52	2,558,453.02	6,019.50
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	0.00	0.00	0.00
12. Other Investments	709,645.33	707,208.32	-2,437.01
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	55,125,209.91	56,036,379.41	911,169.50
15. Cash - General Funds	5,624,613.76	3,349,752.43	-2,274,861.33
16. Cash - Construction Funds - Trustee	0.00	0.01	0.01
17. Special Deposits	0.00	0.00	0.00
18. Temporary Investments	0.00	0.00	0.00
19. Notes Receivable (Net)	7,857.96	0.00	-7,857.96
20. Accounts Receivable - Sales of Energy (Net)	8,137,443.73	8,476,194.75	338,751.02
21. Accounts Receivable - Other (Net)	21,477,370.23	27,564,092.45	6,086,722.22
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	3,403,266.46	3,891,149.00	487,882.54
24. Prepayments	185,909.52	133,889.81	-52,019.71
25. Other Current and Accrued Assets	6,137,089.67	7,156,933.57	1,019,843.90
26. Total Current and Accrued Assets (15 thru 25)	44,973,551.33	50,572,012.02	5,598,460.69
27. Regulatory Assets	0.00	0.00	0.00
28. Other Deferred Debits	117,873.03	57,970.66	-59,902.37
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	352,924,975.33	356,775,181.64	3,850,206.31



04/14/2023 11:41:14 pm

Page: 2

**General Ledger**  
**Financial And Operating Report Electric Distribution**

**BALANCE SHEET FOR MAR 2023**

	Last Year	This Year	Variance
<b>LIABILITIES AND OTHER CREDITS</b>			
30. Memberships	240,215.00	241,480.00	1,265.00
31. Patronage Capital	116,795,069.05	125,038,071.14	8,243,002.09
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	4,579,122.03	1,531,619.01	-3,047,503.02
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	3,327,927.18	3,546,642.92	218,715.74
36. Total Margins & Equities (30 thru 35)	124,942,333.26	130,357,813.07	5,415,479.81
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	151,151,009.42	151,933,704.51	782,695.09
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	48,371,563.72	43,811,365.62	-4,560,198.10
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	0.00	0.00	0.00
43. Total Long-Term Debt (37 thru 41 - 42)	199,522,573.14	195,745,070.13	-3,777,503.01
44. Obligations Under Capital Leases - Noncurrent	0.00	0.00	0.00
45. Accumulated Operating Provisions	53,212.10	39,809.18	-13,402.92
46. Total Other Noncurrent Liabilities (44 + 45)	53,212.10	39,809.18	-13,402.92
47. Notes Payable	3,000,000.00	4,000,000.00	1,000,000.00
48. Accounts Payable	7,109,378.08	8,469,916.22	1,360,538.14
49. Consumers Deposits	2,203,696.77	2,499,156.71	295,459.94
50. Current Maturities Long-Term Debt	10,675,130.00	9,801,992.73	-873,137.27
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	3,247,687.78	2,813,589.90	-434,097.88
54. Total Current & Accrued Liabilities (47 thru 53)	26,235,892.63	27,584,655.56	1,348,762.93
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	2,170,964.20	3,047,833.70	876,869.50
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	352,924,975.33	356,775,181.64	3,850,206.31
Current Assets To Current Liabilities	1.71	to 1	1.83 to 1
Margins and Equities To Total Assets	35.40	%	36.54 %
Long-Term Debt To Total Utility Plant	50.14	%	48.52 %

**Statements of Cash Flows**  
**Southside Electric Cooperative**

	Period ended March 31, 2023	Period ended March 31, 2022
<b>Cash flows from operating activities</b>		
Electric revenue received	\$ 41,453,750	\$ 36,592,630
Power supply paid	(22,226,777)	(17,941,374)
Operating expenses paid	(12,113,672)	(12,236,292)
Interest received	23,204	24,966
Interest paid	(1,720,239)	(1,310,189)
FEMA monies received	96,505	-
	<hr/>	<hr/>
<i>Cash flows provided by operating activities</i>	5,512,771	5,129,741
<b>Cash flows from investing activities</b>		
Investment in electric plant, net	(2,656,144)	(3,596,695)
Installment loans issued	(781,423)	(604,135)
Proceeds from retirement of CTC's	(11,130)	19,304
	<hr/>	<hr/>
<i>Cash flows used in investing activities</i>	(3,448,697)	(4,181,526)
<b>Cash flows from financing activities</b>		
Proceeds from lines of credit	8,548,743	3,000,000
Payments on lines of credit	(4,548,743)	-
Principal payments on long term debt	(2,697,329)	(2,908,498)
Capital credits paid to members, net	(96,249)	(128,466)
Proceeds from capital credits	102,338	1,052,427
Deposits collected from customers	84,702	34,665
Net change in memberships	590	(120)
	<hr/>	<hr/>
<i>Cash flows (used) provided by financing activities</i>	1,394,051	1,050,008
Net change in cash	3,458,125	1,998,223
Cash (Overdraft) at December 31, 2022 and 2021	<hr/> <u>(108,373)</u>	<hr/> <u>3,626,391</u>
<b>Cash at March 28, 2023 and 2022</b>	<hr/> <u>\$ 3,349,752</u>	<hr/> <u>\$ 5,624,614</u>

PART D. CONSUMER SALES AND REVENUE DATA					March 2023		
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.)	56,243	56,260,031	9,541,542	20	56,180	225,127,047	30,006,694
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind 1000 KVA or Less	1,989	4,011,695	650,173	9	1,988	13,853,073	1,680,782
5. Comm. & Ind Over 1000 KVA	18	6,311,732	579,346	0	18	19,807,733	1,784,202
6. Public St. & Highway Lighting							
7. Other Sales to Public Authority	450	4,282,703	594,213	2	449	14,647,094	1,691,440
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Other							
10. (1 thru 9)	58,700	70,866,161	11,365,274	31	58,635	273,434,947	35,163,118
11. Other Electric Revenue	xxxxxxxxxxxx	xxxxxxxxxxxx	121,991	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	338,183
12. Total (10 + 11)	xxxxxxxxxxxx	xxxxxxxxxxxx	11,487,265	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	35,501,301

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	87,705	708,772
2. kWh Purchased	79,833,163	257,707,684	7. Total unaccounted For (4 less 5 & 6),	8,879,297	(16,436,035)
3. Interchange kWh - Net			8. Percent System Loss (7/4)x100	11.12	(6.38)
4. Total kWh (1 thru 3)	79,833,163	257,707,684	9. Maximum Demand (kW)	218,553	217,552
5. Total kWh - Sold	70,866,161	273,434,947	10. Month When Maximum Demand Occurred		February 2023