

MINUTES
SOUTHSIDE ELECTRIC COOPERATIVE
SPECIAL CALLED MEETING OF THE BOARD OF DIRECTORS
FEBRUARY 22, 2021 @ 7 P.M.
ZOOM MEETING

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

Dr. Frank Bacon presided.

MEETING CALLED

On motion made and seconded:

The Board approved the call for a Special Board Meeting.

MOTION CARRIED

STORM DISCUSSIONS

1. Jeff Edwards gave a rundown of the personnel in the field by location.
Action: Jeff to provide the Board with the totals by email.
2. The Cooperative's outbound communications are improving. A public relations firm has been brought in to assist in ad targeting. The Association has been brought in to manage points of contacts for TV interviews, as well as managing timing and content of social media posts.
3. There have been some negative comments regarding the Cooperative's restoration efforts. Management preferred to focus on restoration but is having to spend most of its time responding to calls and demands.
4. Management understands that members are upset about the extended outage, and Management understands their frustration. The Cooperative would prefer their members had power.

Action: The Board is to let Jeff Edwards know if there is anything they feel that could be done differently. Jeff Edwards to keep the Board updated and provide estimated times of restoration for individual accounts as requests are made.

5. Restoration completion is forecasted for Friday, February 25th.
6. There are over 300 poles still to be replaced and 172 vehicles on system. Crews are having difficulty in digging pole holes, as they dig them, the holes fill up with water and are floating the poles out. The weather has hampered restoration efforts.
7. In comparing Dominion Power to the Cooperative, they have 2,036 personnel in the field to respond to outages on any given day vs. SEC's 86.
8. The Cooperative had over 197 mutual aid personnel pre-staged prior to the storm and are now up to 937 personnel.
9. Pole inventory on the yard was 450 poles pre-storm and the Cooperative uses TEMA for restocking inventory. The poles were ordered and restocked throughout the storm. There was no shortage or lack of needed materials. TEMA is used to cut costs and prevent deterioration of equipment/material that was stored in the yard.

Action: As soon as restoration efforts have been completed, Jeff Edwards will provide information regarding inventory and best business practices.

10. A request was made to post pictures/videos of the damage to the system. Post-storm communication plan is in place and a part of the process moving forward.

Action: The Cooperative will provide multiple articles and full-page ads educating members about storm damage, restoration efforts and what members could do moving forward to prepare for major outages.

11. The February 2021 Board meeting will be rescheduled to a date that is convenient with the Board following the power restoration efforts.

Action: Jeff Edwards to reschedule Board meeting once all members' power has been restored.

12. Vegetation management dollars are based on margins. Budget dollars for previous years to current date were reviewed, the average amount spent per year was \$3.3 million. In 2020, the budget was \$5.4 million.

Action: ROW maintenance information to be added to frequently asked questions that were previously provided to the Board.

13. SEC has three certified arborists managing ROWs. If a tree is not an immediate danger the tree crew is notified and the tree is placed on the schedule to be taken down. If it is a danger, the crew on site will remove the tree immediately.
14. Delegate Aird was taken around the system to get a firsthand observation of the damage and work being done in Dinwiddie County. She spoke to the crews working on restoring power, and a lineman from Volt told her it is the worst damage he has ever seen in his 20 years of working storm trouble.

15. There have been claims that SEC declined help from Dominion Power, this claim is false. The first call from Dominion happened Friday morning. They waited until the storm passed and they were able to release their contract crews. This event is the first time Dominion has ever worked on a cooperative system. SEC took two of their crews due to their availability and location, but when they arrived they did not have the documentation necessary to work (contract labor) so the Cooperative released them. Otherwise, the Cooperative would have to pay them for waiting for the appropriate paperwork to arrive, which would have been the following day. When the other Dominion crews and contractors arrived they were put to work immediately.
16. Food spoilage is not covered under Cooperative insurance but can be claimed under a member's homeowner's insurance policy. This type of event is considered an act of God.
17. The cost of Winter Storm Shirley will be approximately \$11.5 million in storm damage; this averages to \$1.5 million per day vs. \$250,000 per day for all previous storms.

Note: *The Board may use this information in direct conversation with members.*

18. Estimate sent to FEMA in hopes of reimbursement but without approval at the Federal level, and the small footprint of the storm, reimbursement is not likely.
19. SEC was the only cooperative that pre-staged for Thursday's storm.
20. Approximately 500 poles are replaced every year. During this outage event alone, SEC has replaced over 650 poles.
21. A recommendation was made that the Cooperative do a comparison of Winter Storm Shirley against the ice storm in 1998.

Action: *Jason Loehr will provide this information at the next Board meeting.*

22. Linemen say this storm is worse than the storm in 1998.
23. Most people have been complimentary of the Cooperative's efforts during the outage, and the public relations firm will assist in dealing with those who are upset.
24. A small group of members have requested an audit be performed. SEC will entertain an independent audit and present the findings to the membership.
25. The Cooperative has always been transparent about the salaries of management and the monthly stipend of the Board of Directors. The IRS Form 990 has always been posted on the Cooperative's website and the CEO's salary has been reflected in the Board Minutes that are posted on the website. SEC is very transparent.
26. The Board indicated it was behind Mr. Edwards 100% and that they will see the Cooperative through this event.

Action: *It was recommended that management meet to determine what was learned from this catastrophe and to educate members about the Cooperative and its practices. Mr. Edwards noted that after every major outage event,*

personnel gather to do a post-storm assessment of what went well and what didn't. They also review practices and update them if needed. The ERP is also updated as necessary.

27. The Cooperative needs to get out in front of such large events and improve communications. There are things that the Board can assist with, and the public relations firm will be used to assist in this process.

LEGAL REPORT

1. SEC Bylaws have requirements for all different types of meetings. If a member wants to call a meeting of the membership, they will need to acquire 5,500 signatures (10% of the membership). The signatures must be handwritten, not electronic. Once the meeting is held, 2,500 (5%) members must be present, in person, to establish a quorum. Under COVID restrictions, no large gatherings are allowed at this time.
2. In order to challenge a Board member for neglect and have them dismissed for cause; a member must submit a petition signed by 5% of the membership. Unless there is a dereliction of duties, a Board member would be able to put on a defense.
3. The Bylaws, as established, help to maintain proper governance.
4. Accusations made are unfounded.

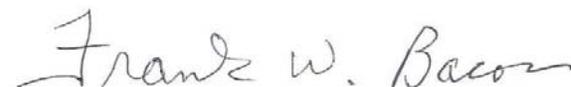
DIRECTOR COMMENTS/CONCERNS & ADJOURNMENT

As of 7:57 p.m. the Cooperative still had a total of 9,038 members without power.

There being no further business to discuss, the meeting adjourned at 7:58 p.m. The next meeting of the Board of Directors to be determined following completion of storm restoration efforts.



Paul S. Bennett, Secretary



Frank W. Bacon, Chair



Christine Marston, Minute Taker