

MINUTES
SOUTHSIDE ELECTRIC COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
FEBRUARY 20, 2020 @ 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. Sanders
William T. White

Frank F. Rennie (General Counsel)
Christine Marston (Minute Taker)
- STAFF:** Bradley V. Furr, VP of Operations
George A. Felts, VP of Engineering
Jason Loehr, VP of Finance & Corporate Services
Jean H. Morris, VP of Human Resources
Ronald O. White, VP of Member & Public Relations
- GUEST:** Rob Brooks, Director of Information Technology
Jacob McCann, Director of HR

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

PREVIOUS MINUTES

On motion made and seconded:

The Minutes of the January 16, 2020 Board Meeting are approved.

MOTION CARRIED

ODEC REPORT

The ODEC report was given by Earl Currin.

PRESIDENT/CEO'S REPORT

1. The pre-audit SEC Financial and Statistical report for December 2019 was reviewed and is attached to and made a part of the Minutes.
2. The Cooperative's accounts receivable write-offs were reviewed:
 - Accounts receivable write-offs from September 2019 through October 2019 equal \$35,105.09.

- Year-to-date 2020 percent of write-offs is .19%.

On motion made and seconded:

The accounts receivable write-offs in the amount of \$35,105.09 are approved as presented.

MOTION CARRIED

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

IEEE Outage Data

- a. System SAIDI, SAIFI and CAIDI were all above historical values for the month
- b. There were no Appalachian Power Company (APCO) or Dominion Energy (DE) supply outages for the month.
- c. There was one SEC supply outage during the month at Moran substation on January 10th. A circuit disconnect switch failed while maintenance was being performed in the station and the station was opened to safely isolate the equipment.
- d. There were no Major Event days in January.
- e. Reliability performance was driven by outages on January 12th due to high winds and storm activity. The remainder of the month had minimal activity.

Safety Report

- a. There were no lost-time injuries in January.
 - b. As of January 31st, employees have worked 641 days without a lost time injury.
5. Reliability Improvement Plan 2020-2024 update:
 - a. This plan is used as a guide to current and future system improvement projects, to establish an understanding of the problems causing reliability issues and identify reasonable annual goals to guide progress.
 - b. System Average Interruption Duration Index (SAIDI) without major event days in 2018 SEC ranked 68 out of 74 when compared to National Rural Electric Cooperative Association (NRECA) cooperatives with 305.9 minutes of annual SAIDI. It was noted that this compares us with cooperatives from other areas of the country, including those with tree cover.
 - c. System Average Interruption Frequency Index (SAIFI) without major event days in 2018 SEC ranked 68 out of 74 when compared to NRECA cooperatives with 2.4 outages of SAIFI.

- d. Customer Average Interruption Duration Index (CAIDI) without major event days in 2018 SEC ranked 66 out of 74 when compared to NRECA cooperatives with 125.9 minutes of annual CAIDI.
- e. SEC ranked 10th on the 4-year SAIDI comparison when compared to the 13 Virginia, Maryland & Delaware Associations of Electric Cooperatives (VMDAEC) cooperatives.
- f. Challenges with previous goals:
 - Financial challenges since last plan update
 - Reductions in vegetation management spending in 2016-2019
 - Reductions in operational maintenance programs
 - Revised 10-year forecast to support new rates
 - Adjusted vegetation cycles (7-year side-trim target)
 - Adjusted recloser maintenance, substation testing and others
 - Demanded adjustment of reliability goals
- g. New SAIDI annual goal of less than 200 minutes of outages for 2020 through 2024.
- h. Six key reliability focus areas:
 - Maintain an aggressive vegetation management program to reduce tree-caused outages with a focus on the removal of off right-of-way hazard trees along the 3-phase main-line sections.
 - Eliminate circuit outages on the worst-performing feeders.
 - Continued monitoring of all transmission and delivery outages to ensure continued focus by such power supply providers and continue the application of necessary maintenance and inspections to address ongoing equipment needs.
 - Reduce/eliminate substation outages by implementing and continuing best-practice substation maintenance programs.
 - Develop a systematic, routine outage review process to quickly identify and address repeat outages.
 - Develop an equipment failure review process to identify equipment related outage trending. Based on the data mentioned in this Plan, a focus on transformer and lightning outages should be primary in this review.
- i. Over the past 10-years SEC has spent over \$13.0 million in circuit reconditioning which resulted in an estimated 28-minute reduction in annual SAIDI.
- j. Substation and transmission outages will continue to be monitored.
- k. System Protection & Automation:

- Down-line automation – previous revisions of this plan extended SCADA control beyond the substation with 124 recloser sites installed and an estimated annual SAIDI reduction of 246 minutes
 - Continued review of available outage management, SCADA and AMI tools
 - Continued focus on upgrading main-line and lateral tap reclosing devices to newer technology
- I. Eleven documented distribution maintenance inspection and maintenance processes to guide future maintenance spending in these areas.
- m. Vegetation Management Planning:
- Created new section devoted to vegetation planning
 - Recommendation for a third-party vegetation review every five years
 - Development of a business case to describe future vegetation expenditures
 - Description of current side-trimming, herbicide, brush clearing and hazard tree removal programs
 - Detailed annual schedules for each program
- n. Financial Impact:
- Capital improvement projects are funded primarily through the four-year construction work plan
 - Maintenance programs are funded through the annual budget process, and, if approved, are completed year-to-year based on available funding
 - Process enhancements will continue to maximize such spending
- o. Summary:
- SEC has shown consistent improvement and must manage future budgeting challenges, carefully balancing expenses versus service
 - Plan provides a focused approach at continued improvement
 - Plan will be updated on a periodic basis and goals will be revised as needed as new data is available
 - Request the Board’s approval of the updated 2020-2024 Reliability Improvement Plan

On motion made and seconded:

“The Board approved the Reliability Improvement Plan as presented.”

MOTION CARRIED

6. Operations Update:

- a. New service activity continues to increase for the month.
- b. Outage activity (minutes) with major event days removed were in line with historical data:
 - Central – 86
 - Eastern – 23
 - Northern – 21
 - Western – 50
- c. January outage causes:
 - Trees 36% or 65 outages; YTD 65 outages
 - Unknown 17% or 31 outages; YTD 31 outages
 - Decay/Age 13% or 24 outages; YTD 24 outages
 - Animals 10.5% or 19 outages; YTD 19 outages
 - Fault/Failure 9% or 17 outages; YTD 17 outages
 - Maintenance/Planned 5.5% or 10 outages: YTD 10 outages
 - Public 5% or 9 outages; YTD 9 outages
 - Weather 2% or 4 outages; YTD 4 outages
 - Other 0.5% or 1 outage; YTD 1 outage
 - Power Supply 0.5% or 1 outage; YTD 1 outage
- d. Tree related outages from 2014 through January 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 = 65 outages
- e. February 7th windstorm caused a total of 201 outages affecting 12,851 members. It was a two-day restoration event with a good outage response. Shenandoah Valley Electric Cooperative and Mecklenburg Electric Cooperative assisted in power restoration.
- f. January outages by District:
 - Central 24% (86 outages affecting 3,929 members)
 - Eastern 8% (23 outages affecting 1,062 members)
 - Northern 30% (20 outages affecting 2,893 members)
 - Western 16% (50 outages affecting 2,800 members)
- g. January SAIDI switching savings:
 - Realized 21.7 minutes (56%)

- Saved by automation (SCADA) switching 16.4 minutes (42%)
 - Saved by manual switching 1.0 minutes (2%)
- h. January SAIDI per District:
- Central 10.4 minutes; YTD 10.4 minutes
 - Eastern 2.3 minutes; YTD 2.3 minutes
 - Northern 2.8 minutes; YTD 2.8 minutes
 - Western 6.2 minutes; YTD 6.2 minutes
- i. January SAIFI per District:
- Central 0.07 events; YTD 0.07 events
 - Eastern 0.02 events; YTD 0.02 events
 - Northern 0.03 events; YTD 0.03 events
 - Western 0.05 events; YTD 0.05 events
- j. January CAIDI per District:
- Central 148 minutes
 - Eastern 124 minutes
 - Northern 90 minutes
 - Western 140 minutes
- k. Fleet service orders completed in January were 86 at an average cost of \$306 per service order; YTD total expense \$98,530 with \$33,000 from upfitting of trucks included.
7. A Virginia General Assembly legislative update was provided to the Board on bills affecting cooperatives.
8. SEC is waiting for the final ruling on the rate case from the State Corporation Commission.

UNFINISHED BUSINESS

1. A question was raised last month during the review of the ACSI Member Satisfaction Survey results regarding the number of walk-ins each district experiences. In the last quarter of 2019 districts experienced the following:

Activity	Central	East	North	West	Total
Walk-Ins	1,905	2,380	1,129	2,039	
Drive-Thru	3,141	871	1,629	1,241	
Night Deposits	370	325	672	200	
Kiosk	579	361	374	517	
Total	5,995	3,917	3,804	3,997	

NEW BUSINESS

1. Business Continuity Plan:

- a. The purpose of the Plan is to help the Cooperative overcome business disruptions by an event which render systems unavailable.
- b. The Plan helps to:
 - Identify and prioritize mission critical processes and systems;
 - Determine the maximum tolerable downtime for each process;
 - Define downtime procedures to mitigate interruption of critical processes;
 - Communicate with members, employees and the public; and
 - Define requirements for ongoing training, maintenance and testing.
- c. The goal is to provide clarity and reduce disruptions.
- d. The Plan addresses various disruptions and defines disaster recovery processes for resources throughout the Cooperative, which includes data back-up and recovery, safeguarding employees and property, and mission critical systems.
- e. The plan will be tested and updated bi-annually. Testing will:
 - Identify gaps or weaknesses in the Plan;
 - Confirm the Plan objectives are met; and
 - Evaluate if the Cooperative's response is adequate to various kinds of disruptive events.
- f. The Plan will be updated based on the test findings.

2. Incident Response Plan:

- a. The purpose of the plan is to:
 - Establish recommended actions needed to recognize and respond to a cyber incident;
 - Notify the appropriate individuals and organizations; and
 - Support and document the recovery efforts.
- b. The process identifies detection and analysis:
 - All Cooperative employees shall immediately report any suspected or known incidents to the Information Technology (IT) department.
 - IT will examine the incident to determine if a threat exists.
- c. Beazley Breach Response will be notified when systems are or may be at risk. They are a dedicated team of cyber professionals who assist with every phase of the response which includes forensics, communication, messaging, media notification and legal counsel.

- d. Following an incident, a complete review will be done to evaluate the strengths and weaknesses to enhance the Cooperative's preparedness.

3. Estate Capital Credit Retirement:

- a. Auditors recommended having estate retirements approved along with the general capital credit retirements in August of each year.
- b. Estate capital credits are paid out to heirs of deceased members.
- c. Estate capital credits are discounted at present day value when paid out.
- d. Estate retirements are included in the Board's Equity Management Plan.
- e. Unclaimed retirements will become permanent equity.
- f. The amount of estate capital credit retirements requested for 2020 is \$1.0 million. A request for additional amounts, if needed, will be brought before the Board for approval.
- g. In August, Board approval will be required for the subsequent year's estate retirements.

On motion made and seconded,

The Board approved the request for \$1.0 million in estate capital credit retirements.

MOTION CARRIED

4. CEO Evaluation Process:

- a. Previously, the Chair would collect evaluation forms and would receive a compensation analysis letter from a salary consultant to establish compensation.
- b. Beginning in 2020, this process would be handled completely by an independent, third party consultant.
- c. It was recommended that Winston Tan be selected as the consultant to develop the evaluation for dissemination and collection. He will provide the compensation recommendation during a future Board meeting, along with development of the CEO goals for the following year.

On motion made and seconded:

The Board approved using the consulting services of Winston Tan for the CEO evaluation process.

MOTION CARRIED

5. In preparation for the Virginia, Maryland & Delaware Association of Electric Cooperatives (VMDAEC) Annual meeting a selection of a voting delegate and alternate are needed:

- Voting Delegate: Frank W. Bacon
- Alternate: Jeffrey S. Edwards

On motion made and seconded:

The VMDAEC voting delegate and alternate are approved as reappointed.

MOTION CARRIED

6. The VMDAEC has made a call of nominations for the Leadership Award, Distinguished Service Award and the Distinguished Friend of the Electric Cooperatives Award. The Board can make nominations by notifying Jeff Edwards of any recommendations.

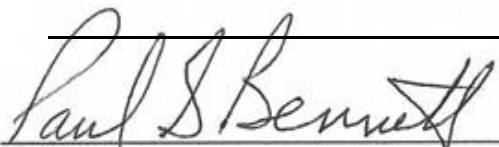
LEGAL REPORT

Mr. Rennie reviewed procedures used in allowing a member to bring forward Bylaw changes. He recommended requiring that a 100-member signature petition be submitted within a 60-day period and 100 days prior to the Annual Meeting of the membership meeting for Bylaw changes. A Bylaw amendment will be brought before the Board at the next meeting.

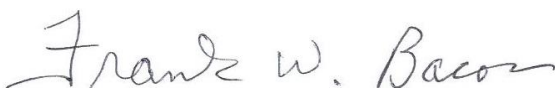
DIRECTOR COMMENTS/CONCERNS & ADJOURNMENT

Dr. Bacon read a thank you card given to the Board from the Central District linemen.

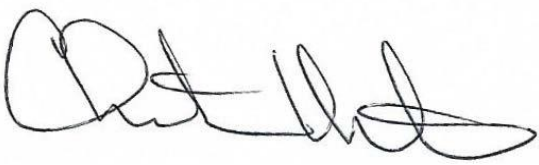
There being no further business to discuss, the meeting adjourned at 4:18 p.m. The next meeting of the Board of Directors is scheduled for Thursday, March 19, 2020 at 1:30 p.m.



Paul S. Bennett, Secretary



Frank W. Bacon, Chair



Christine Marston, Minute Taker

STATEMENT OF GENERAL FUNDS AND OTHER ASSETS
December 31, 2019

General Fund
Cash in Banks 4,268,396.25

General Funds Invested
CFC - CTC's 2,115,131.78
CFC - Patronage Capital 2,973,076.26
Federated Insurance Corporation 455,097.00
TEC Trading Incorporated 622,500.00
Town of Hurt 1,000.00

Notes and Accounts Receivable
Electric Consumer 8,393,877.65
Other Accounts Receivable 7,545,986.48

26,375,065.42

Material and Supplies in Stock 1,866,665.29

Construction Work in Progress
to be Paid from Construction Funds 0.00

TOTAL 28,241,730.71

Construction Funds Available
First Citizens Bank 0.00

NOTES STATISTICS

	<u>CFC</u>	<u>RUS & FFB</u>	<u>COBANK</u>	<u>CFC, COBANK & FIRST CITIZENS BANK</u>
Balance Available for Advance				28,000,000.00
Gross Obligations	52,970,668.32	145,448,386.47	13822890.73	0.00
Interest Paid This Year	2,624,391.91	4,004,161.20	551,051.41	0.00

**Southside Electric Cooperative
For the Month Ending December 2019**

Comparative Operating Statistics

	Y-T-D 2018	Y-T-D 2019	December 2019
New Services Connected	616	767	71
Meters Removed	2,392	2,266	174
Meters Reinstalled	2,016	1,988	138
Services Idle, Excluding Seasonal	3,737	3,964	3,964
Number of Services Retired	178	47	2
Total Consumers Receiving Service	56,561	57,059	57,059
Total Miles Energized	8,290	8,339	8,339

Meters Installed - New Services

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	28	45	49	38	52	83
February	25	37	33	50	52	48
March	27	44	53	59	41	66
April	42	47	44	62	52	55
May	41	54	37	59	52	72
June	58	46	67	69	54	42
July	50	60	53	57	67	79
August	76	72	69	57	72	68
September	45	53	43	46	50	62
October	54	53	62	61	47	90
November	48	41	70	52	45	31
December	56	45	39	44	32	71
Total	550	597	619	654	616	767

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INCOME STATEMENT FOR DEC 2019

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	121,430,185.21	125,797,675.66	124,262,281.28	11,909,476.61	11,982,156.10
2. Power Production Expense	0.00	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	69,080,661.13	76,302,062.45	76,137,430.01	7,423,659.08	7,367,975.82
4. Transmission Expense	138,807.54	120,919.60	119,735.00	79,725.83	75,000.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	5,139,736.00	5,822,514.79	6,092,048.00	1,908,747.27	1,881,757.25
7. Distribution Expense - Maintenance	13,276,676.64	10,448,719.14	11,333,731.00	693,088.11	1,026,711.87
8. Customer Accounts Expense	2,146,319.46	2,348,535.41	2,418,621.00	162,641.67	219,119.57
9. Customer Service and Informational Expense	2,652,034.63	2,913,550.55	2,795,273.00	250,610.64	231,212.50
10. Sales Expense	521,712.81	515,527.96	526,058.00	46,158.69	43,838.13
11. Administrative and General Expense	5,792,833.61	5,767,498.88	5,936,385.00	594,569.15	672,164.76
12. Total Operation & Maintenance Expense (2 thru 11)	98,748,781.82	104,239,328.78	105,359,281.01	11,159,200.44	11,517,779.90
13. Depreciation & Amortization Expense	11,724,396.96	11,704,585.04	11,821,832.00	982,010.26	985,152.63
14. Tax Expense - Property & Gross Receipts	0.00	0.00	0.00	-1,559,481.00	-1,559,481.00
15. Tax Expense - Other	0.00	0.00	0.00	0.00	0.00
16. Interest on Long-Term Debt	6,918,208.05	7,179,604.52	7,313,450.00	483,221.36	609,454.13
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	23,809.46	43,802.93	27,000.00	3,734.56	2,250.00
19. Other Deductions	86,039.19	1,080,643.73	124,000.00	18,515.78	25,250.00
20. Total Cost of Electric Service (12 thru 19)	117,501,235.48	124,247,965.00	124,645,563.01	11,087,201.40	11,580,405.66
21. Patronage Capital & Operating Margins (1 minus 20)	3,928,949.73	1,549,710.66	-383,281.73	822,275.21	401,750.44
22. Non Operating Margins - Interest	128,058.00	133,880.97	125,700.00	10,379.66	10,475.00
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	236,207.40	-5,913.36	-11,000.00	98.58	-916.74
26. Generation and Transmission Capital Credits	1,083,667.00	1,365,087.00	700,000.00	715,846.37	58,333.37
27. Other Capital Credits and Patronage Dividends	702,843.43	622,011.62	630,000.00	24,053.35	30,000.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	6,079,725.56	3,664,776.89	1,061,418.27	1,572,653.17	499,642.07
Operating - Margin	6,079,725.56	3,664,776.89	1,061,418.27	1,572,653.17	499,642.07
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.57	1.22			
Times Interest Earned Ratio - Net	1.88	1.51			
Times Interest Earned Ratio - Modified	1.62	1.23			

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BALANCE SHEET FOR DEC 2019

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	364,490,758.85	370,763,031.87	6,272,273.02
2. Construction Work in Progress	7,328,615.00	6,387,954.88	-940,660.12
3. Total Utility Plant (1 + 2)	371,819,373.85	377,150,986.75	5,331,612.90
4. Accum. Provision for Depreciation and Amort.	118,117,829.05	127,582,294.12	9,464,465.07
5. Net Utility Plant (3 - 4)	253,701,544.80	249,568,692.63	-4,132,852.17
6. Non-Utility Property (Net)	24,042.60	20,241.26	-3,801.34
7. Invest. in Subsidiary Companies	0.00	0.00	0.00
8. Invest. in Assoc. Org. - Patronage Capital	48,772,929.09	49,918,324.65	1,145,395.56
9. Invest. in Assoc. Org. - Other - General Funds	2,563,343.85	2,571,228.78	7,884.93
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	705,107.85	708,018.62	2,910.77
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	52,065,423.39	53,217,813.31	1,152,389.92
15. Cash - General Funds	10,910,081.44	4,268,396.25	-6,641,685.19
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	0.00	0.00	0.00
18. Temporary Investments	0.00	0.00	0.00
19. Notes Receivable (Net)	33,740.29	26,654.97	-7,085.32
20. Accounts Receivable - Sales of Energy (Net)	8,747,716.10	8,393,877.65	-353,838.45
21. Accounts Receivable - Other (Net)	5,464,392.29	7,545,986.48	2,081,594.19
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	2,251,701.20	1,866,665.29	-385,035.91
24. Prepayments	131,041.44	171,105.84	40,064.40
25. Other Current and Accrued Assets	8,091,214.10	7,636,433.92	-454,780.18
26. Total Current and Accrued Assets (15 thru 25)	35,629,886.86	29,909,120.40	-5,720,766.46
27. Regulatory Assets	0.00	0.00	0.00
28. Other Deferred Debits	3,472,409.42	2,685,059.31	-787,350.11
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	344,869,264.47	335,380,685.65	-9,488,578.82

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BALANCE SHEET FOR DEC 2019

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	233,235.00	234,805.00	1,570.00
31. Patronage Capital	105,917,745.02	102,803,033.53	-3,114,711.49
32. Operating Margins - Prior Years	-6,079,725.56	0.00	6,079,725.56
33. Operating Margins - Current Year	6,079,725.56	3,664,776.89	-2,414,948.67
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	1,449,898.84	2,082,719.80	632,820.96
36. Total Margins & Equities (30 thru 35)	107,600,878.86	108,785,335.22	1,184,456.36
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	145,462,373.80	141,600,386.47	-3,861,987.33
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	66,775,841.85	61,247,479.05	-5,528,362.80
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)	212,238,215.65	202,847,865.52	-9,390,350.13
44. Obligations Under Capital Leases - Noncurrent	0.00	0.00	0.00
45. Accumulated Operating Provisions	48,356.79	60,354.82	11,998.03
46. Total Other Noncurrent Liabilities (44 + 45)	48,356.79	60,354.82	11,998.03
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	9,542,268.36	9,118,088.58	-424,179.78
49. Consumers Deposits	2,202,569.21	2,307,499.12	104,929.91
50. Current Maturities Long-Term Debt	9,082,224.00	9,394,080.00	311,856.00
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	2,193,988.47	1,867,513.68	-326,474.79
54. Total Current & Accrued Liabilities (47 thru 53)	23,021,050.04	22,687,181.38	-333,868.66
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	1,960,763.13	999,948.71	-960,814.42
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	344,869,264.47	335,380,685.65	-9,488,578.82
Current Assets To Current Liabilities	1.55	to 1	1.32 to 1
Margins and Equities To Total Assets	31.20	%	32.44 %
Long-Term Debt To Total Utility Plant	57.08	%	53.78 %

Statements of Cash Flows
Southside Electric Cooperative

	Period ended December 31, 2019	Period ended December 31, 2018
Cash flows from operating activities		
Electric revenue received	\$ 128,583,162	\$ 122,069,124
Power supply paid	(76,112,544)	(70,288,665)
Operating expenses paid	(31,599,261)	(29,329,396)
Interest received	133,881	128,058
Interest paid	(7,223,407)	(6,942,017)
	<u>14,241,493</u>	<u>15,637,104</u>
<i>Cash flows provided by operating activities</i>	14,241,493	15,637,104
Cash flows from investing activities		
Investment in electric plant, net	(10,500,585)	(10,523,690)
Contributions in aid of construction	3,751,675	1,918,219
Costs of removal	(1,240,736)	(1,322,987)
Proceeds from disposal of plant	57,155	395,171
Installment loans issued	(1,680,973)	(1,195,783)
Proceeds from retirement of CTC's	19,642	18,383
	<u>(9,593,822)</u>	<u>(10,710,687)</u>
<i>Cash flows used in investing activities</i>	(9,593,822)	(10,710,687)
Cash flows from financing activities		
Payments on lines of credit	-	(21,500,000)
Proceeds from long term debt	-	32,900,000
Principal payments on long term debt	(9,078,495)	(9,035,662)
Capital credits paid to members, net	(2,654,975)	(2,752,136)
Proceeds from capital credits	337,614	2,000,358
Deposits collected from customers	104,930	9,878
Net change in memberships	1,570	745
	<u>(11,289,356)</u>	<u>1,623,183</u>
<i>Cash flows (used) provided by financing activities</i>	(11,289,356)	1,623,183
Net change in cash	(6,641,685)	6,549,600
Cash at December 31, 2018 and 2017	<u>10,910,081</u>	<u>4,360,481</u>
Cash at December 31, 2019 and 2018	<u>\$ 4,268,396</u>	<u>\$ 10,910,081</u>

PART D. CONSUMER SALES AND REVENUE DATA					December 2019		
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.)	54,635	69,674,425	10,309,867	26	54,428	762,245,753	105,691,680
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind 1000 KVA or Less	1,977	4,411,452	482,404	10	1,968	57,415,326	7,041,725
5. Comm. & Ind Over 1000 KVA	16	8,212,800	548,643	0	17	78,442,798	6,170,822
6. Public St. & Highway Lighting							
7. Other Sales to Public Authority	431	4,571,948	484,070	1	407	54,599,529	5,765,382
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Other							
10. (1 thru 9)	57,059	86,870,625	11,824,985	37	56,820	952,703,406	124,669,609
11. Other Electric Revenue	xxxxxxxxxxx	xxxxxxxxxxx	84,492	xxxxxxxxxxx	xxxxxxxxxxx	xxxxxxxxxxx	1,128,067
12. Total (10 + 11)	xxxxxxxxxxx	xxxxxxxxxxx	11,909,477	xxxxxxxxxxx	xxxxxxxxxxx	xxxxxxxxxxx	125,797,676

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	236,096	2,531,323
2. kWh Purchased	98,219,265	1,005,785,729	7. Total unaccounted For (4 less 5 & 6),	11,112,544	50,551,000
3. Interchange kWh - Net			8. Percent System Loss (7/4)x100 . .	11.31	5.03
4. Total kWh (1 thru 3)	98,219,265	1,005,785,729	9. Maximum Demand (kW)	203,398	270,718
5. Total kWh - Sold	86,870,625	952,703,406	10. Month When Maximum Demand Occurred . .		January 2019