York Electric Cooperative, Inc.

Board Retreat Summary

September 25-26, 2018

**Board Members Present: Carolyn Boyd, Tommie Bratton, Marion Comer, Jack Cornwell, Will Mitchell Paul Poston, Richard Sadler, Tom Settlemyre**

**Others Present: Paul Basha, Bethany Hardin, John Tiencken, R.B. Sloan, Mike Couick, Tyler Crochet and Jim Lamb.**

**Day One – opened in prayer by Jack Cornwell**

**Jim Lamb began the day with a presentation regarding Central Electric’s many functions. Some of the items covered were cost of service to members, fuel cost breakdown, growth projections, load management, smart thermostat and the Santee Cooper Coordination Agreement and Duke Contract.**

**Mike Couick advised that he has been meeting with CEO’s and their Board Chairmen across the state to review “modernization” in several areas to be considered. The items specifically discussed included:**

* **Nominations process**
	+ **Keep current Board members who are running for re-election out of the nominations process**
* **Meaningful access to the ballot box**
	+ **Sufficient hours to register and/or vote**
	+ **Restrictions on campaigning**
* **Transparency**
	+ **Access to proposed agenda**
	+ **Access to Board approved minutes**
	+ **Reasonable opportunity to address the Board at meetings**
	+ **Ability to observe and comment on rates changes**
	+ **Previous year Board compensation “at cooperative” posted on member portal website**
* **Avoiding nepotism at Board level**
	+ **Filling vacancies**
* **Possible regulations**
	+ **“Current” requirement of filing changes to classification of rate and services with the PSC**

**John Tiencken provided information from our Bylaws as they pertain to Board Districts.**

**The Board discussed conducting the Board planning retreat off-site so as to have minimal to no interruptions during this valuable time of planning. The full Board was in agreement to wait until after the first of the year to select a location for the 2019 Retreat.**

**PAGE TWO**

**BOARD RETREAT SUMMARY– 2018**

**Several key ratio trend analysis graphs were discussed to include total controllable expenses per consumer, average total consumers served, average wage rate per hour, average consumers per employee and long-term debt per consumer. The graphs compared York Electric, state average and united states total figures.**

**The following areas of data comparisons with the percentages of change from 2003 to 2017 were studied.**

* **Miles of underground and overhead line**
* **Revenue, general fund cash, margins**
* **Meters, plant**
* **Capital credits**
* **Debt per meter**
* **Employees**
* **Overtime**

**The Board approved retiring $1,500,000 in 2019, and implementing a mandatory pay-out to members who move away from our system. The approved plan will begin with the years**

**1998, 1999 and 2000. A bylaw revision pertaining to this section will be presented at the annual meeting for member approval.**

**There was a discussion regarding the history of directors’ fees for Board meeting days and non-Board Meeting days.**

The Board approved an increase in employee compensation to be distributed within YEC’s pay plan. Mr. Basha shared Richard Roach’s desire for less of an increase. Mr. Roach was unable to attend the meeting.

**The Board also approved the employee incentives for 2019:**

**There was a discussion regarding funding employee health insurance. Mr. Basha shared Mr. Roach’s view on this subject.**

**At the end of day one, the meeting was suspended.**

**Day Two – opened in prayer by Rick Sadler**

**The September Board meeting was conducted.**

**Following the conclusion of the Board Meeting, the Board re-convened into the Board Retreat planning session.**

**PAGE THREE**

**BOARD RETREAT SUMMARY – 2018**

**There was a discussion regarding the value of Trustees completing the coursework to obtain their Credentialed Cooperative Director certification.**

**Mr. Basha provided the 2020 Update which included the following topics:**

* **AMI implementation**
* **Medical insurance**
* **Employee compensation**
* **Cost per meter of controllable costs**
* **SAIDI (outage indices)**
* **Employee count**
* **Growth**
* **Equity**
* **Rates**
* **ACSI score**
* **Lost time accidents**

**There was a discussion and comparison to other cooperatives regarding residential facility charges. Per the CFC Cost of Service Study, York should be at $28.81. Following a review and discussion, upon motion made and duly seconded, the Board approved moving from $21.00 to $22.00 and decreasing the cost per kwh. No other rates changes are anticipated in 2019.**

**Mr. Basha provided an update on the following substation projects that we hope to be completed by the end of 2020:**

* **Aycock School**
* **Flint Hill**
* **Van Wyck**
* **Springmaid**

**A progress report on many initiatives in 2018 was provided, with almost all being completed.**

**We are anticipating two site readiness projects in 2019, one being in the Fort Mill area and one in Rock Hill.**

**Long term consideration is being considered for an additional industrial park.**

**A few items for consideration in 2019 are as follows:**

* **Growth**
* **Economic development projects**
* **Roof top solar**
* **New industrial park**
* **Power supplier issues**

**PAGE FOUR**

**BOARD RETREAT SUMMARY – 2018**

* **Enhanced energy services to consider: Installation of residential solar, whole house batteries, maintenance on solar panels, review of EVR and net metering rates and policies, purchase an electric vehicle, offer backup generation,**
* **Implement enhanced “member comfort” strategies**
* **Enhanced Board training and exposure**

**The Board conducted the CEO evaluation. No compensation adjustment was considered.**

**There being no further business or discussion, the meeting was adjourned.**