

YORK ELECTRIC COOPERATIVE, INC.

BOARD OF TRUSTEES MEETING SUMMARY

October 22, 2019

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

Others Present: Paul Basha, Bethany Hardin and John Tiencken. Hampton Oxendine, Patty Moss, Denny Lynn, Tracy McBride, Matthew Tate, Craig Spencer, Marc Howie, Jim Salmon, Markeus Farrand and Wendy Catledge were present for a portion of the meeting.

The Board of Trustees of the York Electric Cooperative met at the office of the Cooperative on Tuesday, October 22, 2019, at 12:00 Noon for lunch, with the Board meeting convening immediately afterward. The meeting was called to order by Chairman Jack Cornwell and the invocation was given by Denny Lynn. A quorum was present; therefore, it was in order to transact any necessary business of the Cooperative.

Hampton Oxendine with CFC was present to review several ratios from the 2018 Key Ratio Trend Analysis (KRTA) and provide financial training in capital credits, margins and equity. The KRTA compares system value to medians of several comparison groups by year. The ratios assist in analyzing system operations, highlight areas of strengths and weaknesses, indicates future performance, provides positive and negative trending, looks at high level comparisons to peers, provides analysis of multiple areas of the cooperative, and reflects a given year's unusual events. There were positive comments on many areas compared to the South Carolina cooperative average.

Markeus Farrand, Key Accounts Representative, provided an overview of the Key Accounts Program. He reviewed the program focus points and goals as developing and improving business relationships, generating awareness, tracking and reporting data, project management, outage notification, company engagement, and company care surveys. He outlined the commercial needs versus residential needs.

Marc Howie, Vice President of Community Development, spoke to the Board regarding the possibility of forming an LLC (limited liability company). This company would be separate from York Electric Cooperative and would hold title to any new property for development purposes and all money from land purchases, creating a clear separation between operating costs for the cooperative and land investments. Any grants received from other development funding sources would funnel through the LLC instead of York Electric Cooperative's general fund account. The Board was in favor of moving forward with more study on this initiative. Information will be brought back to the Board at a future Board meeting.

Wendy Catledge, Vice President of Member Services reviewed our current guidelines for disconnects and notifications to members. Presently, our employees are

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making numerous trips to members' homes to leave a door hanger notifying them of their past due status and pending disconnection. It was recommended that we implement an electronic collection fee in place of the \$25.00 fee and door hanger. A study showed that the cost of this change would decrease to approximately \$17.00. This approach provides member comfort by allowing a savings to the member as well as the 5 additional days to pay. This method would be an efficient and more safe process for the employee. The Board approved implementing the recommended procedure and policy change with an effective date of November 1, 2019.

A brief break was observed.

The Board moved to enter into executive session to discuss retention and succession planning.

The Board moved to return to general session.

The items on the consent agenda as listed below were approved as written and presented:

- September 24, 2019, Board Meeting minutes and summary;
- September 24-25, 2019, Board Retreat minutes and summary;
- Financial Report;
- Safety/Loss Control Report;
- Review and approval of 659 new and 477 refunded memberships for September

There was a review and discussion regarding several upcoming meetings and events.

Paul Basha provided an update on Santee Cooper, Central Electric, Statewide and New Horizon, referencing the reports provided in the electronic Board booklet.

Mr. Basha presented the bid quotations for overhead, second shift and underground work. The Board approved the recommended lowest bidder for overhead work to Williams Electric, second shift work to Williams Electric, and underground work to Pike Electric.

Mr. Basha presented for review and approval the Cooperative's Affirmative Action Plan. He advised that RUS requires that the Cooperative comply with various equal employment hiring practices and nondiscrimination practices. The plan presented also addressed compliance with the Americans with Disabilities Act and the hiring of veterans and minorities. Following a review of the Cooperative's Affirmative Action Plan, the Board approved the plan as presented and execution of the attached associated resolution.

There was nothing to report from the Trustee Association at this time.

A brief report was given from a recently held NRECA Regional Meeting in Louisville, Kentucky.

The Board approved the review and minor revisions to the following policies:

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| 320 | Use of Cooperative Communications Equipment |
| 113 | Use of Cooperative Vehicles |
| 209 | Vacation |
| 221 | Work Gloves and Safety Glasses |
| 302 | Work Rules and Termination of Personnel |
| 201 | Workweek, Workday, On-Call, Call-Outs and Overtime Compensation |

The CEO's Report included the following:

- 1) The Board approved the purchase of an appreciation gift card valued at \$250.00 for each Operation Round Up Trust Board member during the Christmas season.**
- 2) The 2020 Budget and 2020 Strategic Plan will be presented for approval at the November meeting. A safety presentation will also be provided at the November meeting.**
- 3) The Board will tour the WheelPros plant immediately following our November Board Meeting. Space restraints prevented us from having lunch and meeting at their site.**
- 4) Mr. Basha advised that two companies at the East York Industrial Park are considering expansion.**
- 5) An update on the process that will be followed for a contractor to complete emergency overflow type work for the cooperative was given.**
- 6) Our goal to sign four new economic development projects has been met.**
- 7) There was a discussion regarding department heads' participation in future Board meetings.**
- 8) Three Trust Board members will complete their two consecutive terms of office in February, 2020. Replacements are needed for District 8, District 9 and District 3.**

There being no further business, the meeting was adjourned.