

YORK ELECTRIC COOPERATIVE, INC.

BOARD OF TRUSTEES MEETING SUMMARY

October 23, 2018

Board Members Present: Carolyn Boyd, Tommie Bratton, Marion Comer, 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, Mary Rogers, Tracy McBride, Craig Spencer, Marc Howie, Jim Salmon, Paulette Warmoth, Wendy Catledge, Joyce Baker, Caroline Cook and Kim Black 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 23, 2018, 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 Craig Spencer. A quorum was present; therefore, it was in order to transact any necessary business of the Cooperative.

Paul Basha recognized Caroline Cook and Kim Black, both from the Member Services Department for their outstanding service to our members. Mr. Basha also referenced a note sent from Ryan Sheehan's wife whereby she spoke about the difference working at York Electric Cooperative has made in her husband's life.

Hampton Oxendine with CFC was present to review several ratios from the 2017 Key Ratio Trend Analysis (KRTA). The KRTA compares system value to medians of five 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 operating costs on a per meter basis compared to the South Carolina cooperative average. York Electric Cooperative is approximately \$11 million per year less than the average.

Mr. Basha presented Credentialed Cooperative Director certificates of completion to Tommie Bratton, Tom Settlemyre and Rick Sadler.

Marc Howie, Vice President of Community Development, provided an overview of the Cooperative's community events that were held throughout the year.

Tracy McBride, Vice President of Finance provided an overview of unbilled revenue and the York Electric Cooperative business process and forecasted margin impact for December, 2018. A new accounting pronouncement was part of the 2017 Audited Financial Statements disclosure. There will be a one-time impact in December, 2018 to "recognize" the amount of electric revenue that was earned/sold to members in the month of December,

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to be billed in January, 2019. This will result in an increase to margins at year's end, 2018. There was a question and answer session following the overview.

Upon motion made and duly seconded, the items on the consent agenda as listed below were approved as written and presented:

- September 26, 2018, Board Meeting minutes and summary;
- September 25-26, 2018, Board Retreat minutes and summary;
- Financial Report;
- Safety/Loss Control Report;
- Review and approval of 669 new and 354 refunded memberships for September

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

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

John Tiencken provided an update on several on-going lawsuits involving SCE&G and Santee Cooper.

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

Following a review and discussion, upon motion made and duly seconded, the Board approved a new policy and a review/revisions to the following policies:

Policy # 412 Purchase Orders
Policy #78 Records
Policy # 1010 Records Management
Policy # 147 Refund Checks
Policy #11 Relations with Other Associations
Policy #2 Requirements for Membership
Policy #79 Resale of Power by Members
Policy #6 Rules and Regulations
Policy #1001 Safety
Policy #30 Security Lights
Policy #96 Service Charges
Policy #312A Statement of Non-Discrimination
Policy #86 Tree Trimming
Policy # 202 Travel and Associated Expenses
Policy #416 Trustees

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Policy #66 Trustees, Vacancies
Policy #93 Relationship Between Board of Trustees and CEO, and His/Her Management of the Organization

The CEO's Report included the following:

- 1) Items included in the electronic Board booklet were as follows: –A look ahead at dates snapshot, the York County Economic Outlook Report, employee/Facebook commendations, member follow-up calls spreadsheet and pole damage pictures.**
- 2) Mr. Basha requested approval from the Board to purchase an appreciation gift card valued at \$250.00 for each Operation Round Up Trust Board member during the Christmas season. The Board approved this purchase.**
- 3) The 2019 Budget and 2019 Strategic Plan will be presented for approval at the November meeting. A safety presentation will also be provided at the November meeting.**
- 4) Mr. Basha provided an update on our rates compared to Duke Energy's rates.**
- 5) Mr. Basha referenced a handout at each seat regarding a Smart Thermostat Program. Anyone interested should contact Brent Clinton. An update on the Solar Advisory Program was provided. Out of 72 members, 55 have elected not to install solar on their home, and 8 decided to invest in the solar farm.**
- 6) Mr. Basha passed around a sample of the bill stuffer that will be included in the December billing statements. The stuffer will advise our members that they are receiving a line item credit as a gift.**
- 7) As a token of appreciation, each Trustee was given a YEC extension cord.**
- 8) Mr. Basha advised that we will be sending a crew to Florida to assist with storm restoration work.**

There being no further business, upon motion made and duly seconded, the meeting was adjourned.