

**MINUTES**  
**SOUTHSIDE ELECTRIC COOPERATIVE**  
**MEETING OF THE BOARD OF DIRECTORS**  
**JANUARY 25, 2018 @ 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.  
William T. White  
  
Frank F. Rennie (General Counsel)  
Christine Marston (Minute Taker)

**STAFF:** Jeffrey S. Edwards, President/CEO  
Danny J. Hammond, Chief Operating Officer  
Bradley V. Furr, VP of Operations  
George A. Felts, VP of Engineering  
Jean H. Morris, VP of Human Resources  
Ronald O. White, VP of Public & Member Relations

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

**PREVIOUS MINUTES**

On motion made and seconded:

**The Minutes of the December 19, 2017 Board Meeting are approved.**

**MOTION CARRIED**

**ODEC REPORT**

The ODEC report was given by Earl Currin.

**PRESIDENT/CEO'S REPORT**

1. The IRS 990 Questionnaire was distributed and reviewed, along with Board Policy 206 – Conflict of Interest, which are required annually. Each director is required to sign the acknowledgement form associated with Policy 206.

***ACTION:** Questionnaires and acknowledgement form are to be turned in by the March 2018 Board meeting.*

2. The Board was provided information regarding cybersecurity events during the month of December 2017.

3. The Institute of Electrical & Electronics Engineers (IEEE) outage data and safety report for December 2017 were reviewed in detail:

IEEE Outage Data

- a. System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI) were above historical values for the month.
- b. There were no Power Supply outages for the month.
- c. December 8<sup>th</sup> & 9<sup>th</sup> were major event days caused by the heavy, wet snow.
- d. The early snow event in December was abnormal for the month and below average temperatures were seen from the 15<sup>th</sup> to month-end.
- e. December 29<sup>th</sup> a car struck a two-way feed pole. When the Cooperative tried to backfeed, the recloser didn't close properly. When trying to recover the loss of service, the South Hill hospital was dropped.

Safety Report

- a. There were no lost-time injuries in December.
- b. The employee injured in the automobile accident in July remains out of work.
- c. Total lost-time accumulated in December was 31 days.
- d. As of December 31<sup>st</sup>, employees have worked 163 days without a lost time injury.

4. Idle Line Retirement:

- a. A member requested a security light to be installed on existing pole.
- b. SEC staking technician visited the location and discovered the pole was on an idle tap to an abandoned home/farm site.
- c. The line would require rehabilitation, including additional right-of-way clearing maintenance.
- d. Security light installation would require transformer installation and security light.
- e. SEC Terms & Conditions require all costs for the light installation be recovered from the member (above the cost of the light).
- f. Estimated cost to install, excluding line rehabilitation, is \$1,457.69.
- g. The member did not accept cost and advocated that transformer be installed since it used to be on the line.
- h. After further discussions with the member, it was determined that their intent was to keep SEC from retiring the facilities.
- i. The member contacted the staking supervisor to press their argument for installing the security light.
- j. The member then contacted the VP of Engineering to discuss:

- The transformer being returned to the line at no cost
  - SEC eliminating its retirement process
  - Keeping the lines to maintain right-of-way
  - Rejection of the option to install a metered service as opposed to a security light because they did not way to pay the reoccurring service fee
  - SEC review the retirement process and make exceptions for the member
- k. Location of service is in Saxe area southwest of Drakes Branch (Charlotte County).
- l. SEC could not determine the last time location has been energized (20+ years).
- m. The location is an abandoned home site which is now rubble and overgrown.
- n. The member indicated they plan to build on the property in the near future, however, there is no clear timeline.
- o. Options:
- Cooperative Option 1 - Rehabilitation of the line at the Cooperative's cost (\$8,924.53), and the member would invest to install the transformer and security light (\$1,467.69) and pay a monthly security light fee of \$9.56 (+/- other fees).
  - Member Option – Cooperative pay for all costs and the member pay the monthly security light fee.
  - Cooperative Option 2 – The Cooperative retire idle facility, rebuild the primary line if and when the member requests a new service, the member would then pay for any service extension from that point, and easements would be acquired as needed.
- p. If the Cooperative rehabilitates the primary and installs a transformer/light, the investment would be \$10,392.22, excluding right-of-way costs. The monthly security light payment would be \$10 per month. SEC will incur a loss on the investment of 255%, as the security light payment will not cover the operations and maintenance on the service.
- q. SEC will apply the Terms & Conditions to this request as with similar other requests.
5. Member Herbicide Concern:
- a. Member located in the Gladys area has asked that SEC discontinue use of glyphosate products (Roundup).
  - b. Member states glyphosate as a Group 2A “probable” carcinogen

- c. Member states the use of this product has caused horrific damage from over spraying
  - d. Right-of-way was previously sprayed in August 2011 using a tractor mounted sprayer.
  - e. An herbicide notice was sent to the membership in this location on May 10, 2017, no response was received by this member.
  - f. In 2017, SEC switched to a backpack application.
  - g. Three small areas were sprayed on the member's property before the crew was stopped.
  - h. Member has been placed on voluntary no-spray list.
  - i. Roundup Custom is used around waterways for aquatic spraying.
  - j. Member has requested that SEC discontinue use of all glyphosate products.
  - k. Member was provided the form requesting to meet with the Board.
6. Board Policy 213 – Attendance at Meetings or Appearance by Members or Others before the Board of Directors. The recommended change is the additional verbiage of:
- a. Any member or other person appearing before the Board of Directors shall approach the Board, give his or her name and address in an audible tone of voice for the record, and address the Board of Directors as a body rather than speak to any member. Unless further time is granted by the Board of Directors, any member or other person shall address the Board for a maximum of five minutes regardless of the number of issues he or she desires to discuss. However, with the Board's prior approval the length of time to address the Board of Directors may be extended at the discretion of the Board.

On motion made and seconded:

**The recommended changes to Board Policy 213 are approved as presented.**

**MOTION CARRIED**

- 7. Southside Virginia Community College (SVCC) will be holding its Powerline Workers Advisory Group meeting at the Cooperative next week.
- 8. Interviews for the Director of Safety are scheduled for Friday, January 26, 2018 and for the Apparatus Technician on Wednesday, January 31, 2018.
- 9. The deadline for ordering the lineman specialty license plate is Friday, January 26, 2018. The Virginia, Maryland & Delaware Association will pay the cost for the application.
- 10. Several cooperatives in Virginia are offering Broadband service to members as well as non-members. The Cooperative will continue to monitor Broadband and has asked AFL to confirm the information provided on Cooperative's feasibility study.

11. A meeting was held between ODEC, SEC, BARC and Shenandoah Valley Electric Cooperatives and Holocene to discuss the possibility of a behind the meter solar project. A non-disclosure agreement will be made between ODEC and Holocene.
12. ODEC is interested in building a behind the meter solar project at Hooper Park. As information is provided, it will be presented to the Board.
13. 2018 Legislative Visits:
  - a. SEC will be split into two groups
    - Group I – Frank Bacon, Earl Currin, Charles Friedl, Brenda Johnson, Brad Furr and Jacob McCann. They will visit Delegate Aird and Senators Chase & Sturtevant
    - Group II - Kristie Martin-Wallace, Clive Pettis, Will White, Frank Rennie, Jeff Edwards and Lloyd Lenhart. They will visit Delegates Garrett & Ware and Senator Edmunds
  - b. Delegate Davis Yancey gives republicans 51-49 majority
  - c. Delegate Kirk Cox unanimously elected Speaker
  - d. Committees have been reappointed and must work each piece of legislation actively throughout the session
  - e. Top priority Bills:
    - HB1283 Pole Attachment Fees (introduced by Delegate LaRock) – requires utilities to waive fees for wireless ISPs for five years and pay 50% of the make-ready work to prep poles. Delegate LaRock offered to remove the pole attachment provision but insisted on the 50% make-ready costs, offer was declined. This Bill will be fought in the House of Commerce and Labor Committee.
    - SB662 introduced by Senator Wagner – allows customers of large co-ops (+150,000/peak demand +120MW) to aggregate their accounts within a 20-mile radius and shop for supply service. This Bill sets future precedents for any co-op and will be strongly opposed by the cooperatives.
    - SB82 introduced by Senator Edwards – undoes key provision of “Small Ag Generator Program” and ends Ag Net Metering programs in Cooperative territory in 2019. A meeting has been scheduled with Senator Edwards to oppose the undoing of previously agreed to provisions.

## **NEW BUSINESS**

1. Safety Improvement Plan 2016 – 2018:
  - a. New RESAP (Rural Electric Safety Achievement Program) requirement.
  - b. Identifies key areas for improvement over the RESAP cycle.
  - c. Can include both items from the recent RESAP inspection as well as other items.

- d. Plan can be modified year-to-year as things change.
- e. CEO is required to certify that the annual goals have been met.
- f. Primary goals:
  - Improve two-way communications between the Safety Committee and the employees:
    - Developed a Safety Committee Newsletter in 2016
    - Included MPR employee on the committee for additional support in 2016
    - Added meeting notices to Safety Meeting comments in 2017; discussed committee findings
  - Increase field presence for the Safety Department, supervision and management (completed 253 field crew visits in 2016 & 224 field crew visits in 2017).
  - Improve incident reporting process and improved communications of events to employees:
    - Director of Safety continued providing summaries of incidents at each monthly Safety Meeting
    - All incidents posted to online SharePoint site for all senior management to review
  - Enhance substation tagging and equipment operations:
    - Engineering developing substation operations manuals
    - Operations continuing to deploy circuit labeling within the substation
- g. Goals for 2018:
  - Circulate the Safety Committee Newsletter on a quarterly basis.
  - Continued field crew visits to include at least four Construction Crew/Restoration Crew visits in each district per month, at least one substation crew visit per month and at least one warehouse or office crew visit per month. Target 200 visits at year end.
  - Continue to streamline the incident reporting process and collection of documentation. Ensure root-cause summaries for all injury and near-miss events.
  - Complete the development of a substation operational manual for each substation.

On motion made and seconded:

**The Safety Improvement Plan is approved as presented.**

**MOTION CARRIED**

2. Safety Performance Incentive Program:

- a. Tool used within safety program to encourage safe work practices
- b. Incident rate has increased significantly due to eight recordable incidents during the year
- c. DART rate has increased due to five incidents
- d. Employees have worked 181 days year-to-date without a lost-time injury
- e. Employees are to receive no bonus at the end of 2017
- f. Up to 1% of base payroll may be awarded in 2019 if all safety goals are met in 2018 (\$100,000)
- g. Target goal for 2018 will remain the same as the 2017 goal with a continued focus on a zero lost-time environment
- h. Based on current data from NRECA's Balanced Scorecard, SEC is in the 3<sup>rd</sup> quartile performance for incident rate and DART rate.

On motion made and seconded:

**The 1% safety incentive bonus and safety goals for 2018 are approved as presented.**

**MOTION CARRIED**

3. In preparation for the CFC Annual meeting a selection of a voting delegate and alternate are needed:

- Voting Delegate: William White
- Alternate: Frank Bacon

On motion made and seconded:

**The CFC voting delegate and alternate are approved as nominated.**

**MOTION CARRIED**

**LEGAL REPORT**

1. The Sage Right of Way hearing will be scheduled for some time in February 2018.
2. A hearing with the Judge has been scheduled in Campbell County for February 13, 2018 on the O'Connell matter.
3. A member in Bedford County has finally agreed to allow SEC on their property to trim trees.
4. A suit has been filed against a member who refuses to allow us on their property to maintain our facilities.
5. The attorney for Rural Utilities Service (RUS) will have an update on the environmental issue early to mid-February.
6. A Resolution authorizing Jeff Edwards to execute the final sale and closing documents on behalf of the Cooperative for the sale of the former Western District office was reviewed.

On motion made and seconded:

**The Resolution of Authorization is approved.**

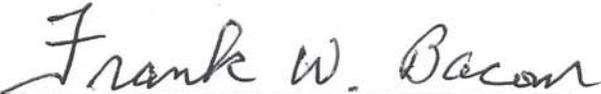
**MOTION CARRIED**

7. Two lots in Runaway Bay were deeded to the Southside Opportunity Fund (SOF) to raise money for scholarships. The SOF will meet to make some decisions on the sale of the property.

**DIRECTOR CONCERNS/COMMENTS & ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:35 p.m. The next meeting of the Board of Directors is scheduled for Thursday, February 15, 2018 at 1:30 p.m.

  
Paul S. Bennett, Secretary

  
Frank W. Bacon, Chair

  
Christine Marston, Minute Taker

***SOUTHSIDE ELECTRIC COOPERATIVE***

***RESOLUTION***

***AUTHORIZATION FOR SALE OF THE FORMER WESTERN DISTRICT OFFICE***

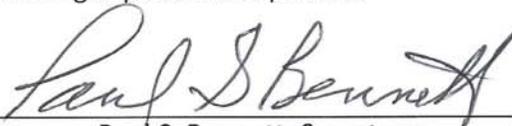
**WHEREAS** the Board of Directors of Southside Electric Cooperative in its regular session on Thursday, January 25, 2018, reviewed the offer of sale between Southside Electric Cooperative, Inc. and Jasper Holdings, LLC; and

**WHEREAS** the agreement to sell the former Western District Office to include approximately 4.09 acres of land and the accompanying buildings and improvements has been agreed to in the amount of Two Hundred Ninety-Nine Thousand and 00/100 Dollars (\$299,000.00); and

**WHEREAS** both parties have entered into a Purchase and Sale Agreement further describing the specific details of the transaction; and

**BE IT RESOLVED**, that the Board of Southside Electric Cooperative has reviewed and approves the sale of the former Western District Office and authorizes Jeffrey S. Edwards, President & CEO, to execute the final sale and closing documents on behalf of the Cooperative.

I, Paul S. Bennett, Secretary of the Board of Directors of Southside Electric Cooperative, do hereby certify that the above is a true and correct copy of the resolution passed in the meeting of the Board of Directors of Southside Electric Cooperative held on the 25<sup>th</sup> day of January 2018, at which meeting a quorum was present.

  
Paul S. Bennett, Secretary