

MINUTES OF MEETING OF BOARD OF DIRECTORS OF
GRADY ELECTRIC MEMBERSHIP CORPORATION
HELD OCTOBER 4, 2017

The regular meeting of the Board of Directors of Grady Electric Membership Corporation was held at its office in Cairo, Georgia, on the 4th day of October, 2017. All of the Directors were present. Also present were President Bo Rosser, Attorney M. Claire Chason, Pat Reed, Jeff Rehberg, Rex Robinson, Wayne Windham, Donnie Prince and CPA Marlan Nichols.

The Chairman presided, and the minutes were kept under the direction of the Secretary.

The minutes of the previous regular meeting held on September 6, 2017, were read and approved. Further, the minutes of the specially called Board of Director's meeting held on September 8, 2017, were read and approved.

The following proceedings were had, all action being first duly moved and seconded and all action being taken upon the unanimous vote of the Board or without dissenting vote or abstention, unless otherwise stated:

1. **CFC Line of Credit.** After review and discussion, the Directors approved converting the current National Rural Utilities Cooperative Finance Corporation ("CFC") line of credit to an "As Offered" line of credit with CFC, which has a lower interest rate and additional requirements.
2. **Year-end Pay Adjustment.** The Directors approved a 5% year end pay adjustment as same was presented by the President.
3. **Cost of Living.** After review and discussion of the Bureau of Labor Statistics, an adjustment was made for Cost of Living for an increase of .78%, effective October 5, 2017.
4. **Patronage Capital Analysis of Various Retirement Options.** The Directors discussed various options for the Patronage Capital Credit Retirement. They were reminded that a portion of Grady EMC's equity is from capital credits it has accrued from other affiliations. The President was directed to provide calculations for a 15 year payout and report back to the Directors the anticipated effect it would have on utility rates.
5. **Hurricane Irma Response and Impacts.** The Directors reviewed Hurricane Irma responses and impacts on Grady EMC as same was presented by Jeff Rehberg.
6. **Monthly Credit Card Transaction Limits.** The Directors reviewed and discussed the current credit card transaction limit policy of a maximum amount of \$1500.00 per month per member. Any transactions charged above

this amount will be charged a fee in the amount of the actual cost of processing the payment.

7. **Nichols, Cauley & Associates Engagement Agreement 2017-2019.** After review, the Directors approved the Nichols, Cauley & Associates Engagement Agreement for 2017-2019 as same was presented.
8. **Capital Credit Requests.** The Board approved the Capital Credit Requests submitted in the approximate amount of \$12,186.24.
9. **Bills.** The Directors approved the payment of bills submitted.
10. **Bad Debt.** The Directors approved the list of accounts to be written off and authorized the writing off of the bad debt shown on the list as presented at the meeting in the amount of \$7,006.60, for the period of June 1 through June 30, 2017.
11. **New Members.** The Directors approved the list of new members as presented.
12. **Operating Report.** The Directors reviewed the Operating Report.
13. **Other:**

The Directors were notified of a fundraiser for an employee.

The Directors were informed that lunch would be provided at Mr. Chick after the annual meeting.

There being no further business to come before the meeting, the Directors adjourned into Executive Session.


Chairman


Secretary