

MINUTES
SPECIAL CALLED MEETING
BOARD OF TRUSTEES FAIRFIELD ELECTRIC COOPERATIVE, INC.
APRIL 11, 2022

The Board of Trustees met in a special called meeting at 3:00 p.m. on April 11, 2022 to consider disqualification of a nominee for a Trustee position.

The meeting was called to order by Chairman Rabon, and a prayer was offered by Robert Entzminger.

Present: Rabon, Entzminger, Good, Lewis, Miles, Hopkins, Able, Ogburn, Swearingen, and Roberts.

Also attending: Bruce Bacon, Shelley Dabney, and special counsel Jay Bender

Agenda was the discussion of disqualification of Larry Sharpe, Jr. who has been nominated for a Trustee position. Mr. Hopkins recused himself from the meeting and did not participate in the discussion or vote.

Mr. Bender made a presentation on the eligibility requirements for Trustees of electric cooperatives under South Carolina law, and under the bylaws of Fairfield Electric Cooperative, Inc.

1. Act No. 56 of the 2019-2020 General Assembly of South Carolina prohibits board members from having a business relationship with the cooperative separate from membership in the cooperative.
2. The bylaws prohibit a "direct business relationship" between a trustee and the cooperative.
3. Under the bylaws the Chairman and the Board of Trustees have the duty to disqualify ineligible candidates for trustee positions.
4. Larry Sharpe, Jr. is associated with Blythewood Oil Co., and as recently as March of this year had met with cooperative employees to discuss fuel purchasing procedures.
5. Over the past 25 months Blythewood Oil Co. has received payments from the cooperative of more than \$10,000 per month for purchases.
6. Over the past five years Blythewood Oil Co. has received payment in excess of \$1 Million dollars for sales to the cooperative.

The context of Act No. 56 was to eliminate self-dealing between cooperatives and the trustees of the cooperatives. The bylaws provide that upon the presentation of evidence a nominee may be disqualified if ineligible to serve as a trustee.

Following the discussion Mr. Ogburn moved to disqualify Mr. Sharpe as a consequence of his business relationship with the cooperative through Blythewood Oil Co. A copy of the motion is attached. The motion was seconded by Ms. Swearingen. Following a brief discussion of the need to have candidates who meet the qualifications for office the question was called.

Motion carried unanimously.

Mr. Ogburn moved adjournment, seconded by Mr. Good. Motion carried.

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Motion

To affirm the disqualification of Larry Sharpe, Jr., I move that, based on the facts established and the applicable law, Larry Sharpe, Jr., is found to be ineligible to become a member of the Board of Directors of Fairfield Electric Coop. and Larry Sharpe, Jr. is hereby disqualified as a candidate for that office and his name is not to appear on the ballot for trustee election.

Signed: _____

Robert K. Miles, Secretary

APPROVED

ATTEST: _____

Mitchell D. Rabon, President