

REGULAR MEETING OF MEMBERS OF THE BOARD

April 23, 2018

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, April 23, 2018, at 12:30 p.m. at the cooperative headquarters in Blythewood, South Carolina. The following trustees were present:

Joseph E. Sharpe	John E. Roberts	Robert K. Miles
William C. Good	Peggy B. Jeffcoat	Robert Entzminger
John A. Bloodworth, Jr.	Allen L. Beer	Donald K. Lewis
Mitchell D. Rabon	Timothy L. Hopkins	

Attorney Ken DuBose was present.

President Joseph E. Sharpe called the meeting to order and the invocation was given by Robert Entzminger.

Upon motion made by John Roberts, seconded by William Good, motion carried, the minutes of the meeting held on March 26, 2018, were approved as presented."

Upon motion made by John Roberts, seconded by John Bloodworth, motion carried, the 225 new consumers for the month of March 2018 were accepted as members of Fairfield Electric Cooperative, Inc.

Daniel M. Connor, Vice President, Finance, presented and discussed the financial and statistical reports for the month of March 2018.

William L. Hart, Chief Executive Officer, reported on outages incurred during and after the April 15 storms.

William Hart reported the Operation Round Up Board made donations to a fire victim, two needy families, and Salkehatchie Fairfield camp.

William Hart reported three new security systems were sold within the last month and two were converted from other companies.

William Hart reported capital credit refund checks will be dated and mailed May 1, 2018. The number of checks being mailed is 7,860 in the amount of \$485,270.52. Bill credits of \$74.99 or less will be applied to 18,926 active accounts totaling \$451,058.51. The grand total of capital credits being refunded is \$936,329.03.

William Hart advised annual meeting notices will be mailed on Thursday, May 3.

William Hart reminded board members a brief re-organizational board meeting will be held at the Winnsboro Office following the annual meeting on May 15th.

William Hart announced a legislative luncheon in honor of Congressman Ralph Norman is being held on May 3rd at Black River Electric Cooperative. Upon motion made, seconded, and carried, the following were authorized to attend: John Bloodworth, Keith Lewis, Joe Sharpe, and Robert Entzminger.

William Hart presented updates on state legislation and provided an update on the recent NRECA Legislative Conference in Washington.

A list of delinquent accounts totaling \$1,855.03 for the month of March 2018 was presented for consideration for write off as uncollectible. Upon motion made by John Bloodworth, seconded by John Roberts, motion carried, authorization was granted to write these off against the cooperative's reserve for uncollectible accounts.

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A list of deceased patron's estates requesting payment of their capital credits was presented for consideration. After discussion and upon motion made by Allen Beer, seconded by Keith Lewis, motion carried, the following resolution was adopted:

The estates of 22 deceased members have requested the Board of Directors give consideration to approving the retirement of \$12,473.97 as an administrative convenience to the estates. After reviewing the Cooperative's financial statements and determining such retirement will not adversely impact the

Cooperative's financial condition, Management recommends capital credits totaling \$12,473.97 be approved for payment. In addition, it should be noted that such approval does not obligate this Board or any future Board to retire the capital credits of the estates of deceased members presented at any future date.

Positions on the Board of Trustees for Fairfield Electric Trust Corporation / Operation Round Up for 2018 - 2019 were discussed. Upon motion made by Keith Lewis, seconded by John Bloodworth, motion carried, the following appointments were made to the Round Up board:

District 1	Beverly Grier
District 2	Randy Frick
District 3	Vacant (to be appointed at the next meeting)

John Bloodworth provided an update on the upcoming Spring Trustee Association Conference and reported agendas were in the travel packages for those attending the meeting.

Upon motion made by John Bloodworth, seconded by William Good, motion carried, the board was declared in executive session for the NRECA's Pension Restoration Plan presentation.

Upon motion made by John Bloodworth, seconded by John Roberts, motion carried, the board returned to its regular session.

Upon motion made by John Bloodworth, seconded by Allen Beer, motion carried, President Sharpe was directed and authorized to pay the Pension Restoration Plan in the amount of \$1.8 million (exact amount of \$1,798,889.90) to William Hart, Chief Executive Officer. Opposed votes: Mitch Rabon, Robert Entzminger, William Good, and Tim Hopkins. Favorable votes: John Bloodworth, Kenneth Miles, Keith Lewis, Allen Beer, John Roberts, Peggy Jeffcoat, and Joseph Sharpe.

Note – This section is not part of the minutes but an explanatory note quoted from the 12-31-2017 Financial Audit Report of the cooperative.

“The benefit payable under the PRP is approximately \$1,800,000 and will be paid through the general assets of the Corporation. The Corporation will recover the distribution through reductions in its monthly contributions to the RS Plan until the distribution has been recovered. Accordingly, the payment will have no effect on the Corporation's financial position or results of operations.”

There was no old business to come before the board.

Under new business, John Roberts requested authorization to attend the NRECA Director's Summer School in Savannah July 26 – 30th. Upon motion made by William Good, seconded by John Bloodworth, motion carried, this was approved. Additionally, upon motion made by William Good, seconded by John Bloodworth, motion carried, Tim Hopkins was also authorized to attend the NRECA Director's Summer School.

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There being no further business to come before the board, upon motion made by Tim Hopkins, motion seconded and carried, the meeting was adjourned.

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Joseph E. Sharpe, President