

REGULAR MEETING OF MEMBERS OF THE BOARD

January 28, 2019

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, January 28, 2019, at 12:30 p.m. at the Cooperative headquarters in Blythewood, South Carolina. The following trustees were present.

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

Attorney Ken DuBose was present.

President Mitchell Rabon called the meeting to order and the invocation was given by Robert Entzminger.

President Rabon introduced Chip Hardy, Fiduciary Consultant, for FinTrust Capital Advisors, who presented an update on the retirement analysis study. After discussion a recommendation was made to appoint a board/staff committee to evaluate options and report back to the full board. Thereafter, Chairman Rabon appointed the following to this committee: John Bloodworth-Committee Chairman, Keith Lewis, Tim Hopkins, Robert Entzminger, John Roberts, Mitch Rabon (Ex-Officio), Bruce Bacon, Beth Mason, and Vicky Melvin.

President Rabon introduced James Chavez, President and Chief Executive Officer, SC Power Team, who presented an update on economic development activity, service area / site opportunities and the site selection process by industrial prospects.

Upon motion made by Tim Hopkins, seconded by Joseph Sharpe, motion carried, the minutes of the meeting held on December 17, 2018, were approved as presented.

Upon motion made by Joseph Sharpe, seconded by John Roberts, motion carried, the 176 new consumers for the month of December were accepted as members of Fairfield Electric Cooperative, Inc.

Vicky H. Melvin, Controller, presented and discussed the financial and statistical reports for the month of December 2018.

Bruce Bacon reported the Board of Trustees for Operation Round Up will hold their next meeting on February 18th at 5:00 p.m.

Bruce Bacon reported six new security systems were sold and two systems were converted from other companies in the last month adding eight monitored accounts.

Bruce Bacon advised the Member Advisory and the Credentials & Election Committees will need to be appointed at the February meeting. He also reported the Nominating Committee will meet on Monday, March 18th at 11:00 a.m., at the cooperative headquarters in Blythewood and the following board members are up for re-election at the 2019 annual meeting:

District 1	District 2	District 3	At Large
Keith Lewis	John Bloodworth	Mitchell Rabon	Tim Hopkins

Bruce Bacon reported the Legislative Appreciation Reception is being held on Tuesday, February 26, from 6 – 8 p.m. at the Columbia Convention Center.

Bruce Bacon advised Misc. Income 1099 forms along with reconciliation letters have been distributed to each board member and auditors were back on site last week completing their 2018 audit work.

Bruce Bacon advised a Cybersecurity Assessment is being conducted on February 12th and discussed that process with the board.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

January 28, 2019

Bruce Bacon discussed the Strategic Plan and shared the new mission statement along with the cooperative's values, vision, and goals. This will be an agenda item for the board's consideration and acceptance at the February meeting.

Bruce Bacon presented updates on Central's non-binding bid for the sale of Santee Cooper, proposed legislation regarding cooperative governance, and he advised the cooperative's rates have been provided to the Office of Regulatory Staff (ORS).

A list of delinquent accounts totaling \$2,006.68 for the month of December 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.

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

The estates of 14 deceased members have requested the Board of Directors give consideration to approving the retirement of \$7,576.28 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 \$7,576.28 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.

The 2019 Annual Meeting was discussed. Upon motion made by Joe Sharpe, seconded by Robert Entzminger, motion carried, the annual meeting was scheduled for Tuesday, May 21, 2019, at the Fairfield Central High School gymnasium with registration from 5:00 - 6:30 p.m. followed by the business meeting at 6:30 p.m.

In accordance with Section 4.05 of the By-Laws, Trustee Districts, the Trustee District Map was reviewed. Upon motion made by John Bloodworth, seconded by Keith Lewis, motion carried, the Trustee District Map will remain unchanged, as there are no substantial inequitable factors regarding the residents or members or the geographic locations or districts.

Upon motion made by Joe Sharpe, seconded by John Roberts, motion carried, in accordance with Section 4.06 of the By-Laws, Nominations of Trustees, the following members were appointed to the Nominating Committee for 2019 to nominate trustees for each of Districts 1, 2, 3, and At Large:

Lonnie M. Campbell	by	W. C. Good
Cathy Montgomery	by	John A. Bloodworth, Jr.
Charles Davis	by	Robert K. Miles
Cathi Gladden	by	Mitchell D. Rabon
Keith McDonald	by	Allen L. Beer
Ruby McNinch	by	John E. Roberts, III
King David Murphy	by	Timothy L. Hopkins
Carlton Payne	by	Robert Entzminger
Neysa Rimer	by	Peggy B. Jeffcoat
Randolph Frick	by	Joseph E. Sharpe
Brad Douglas	by	Donald K. Lewis

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

January 28, 2019

The general retirement of capital credits was presented and the following resolution was adopted upon motion made by Tim Hopkins, seconded by Joe Sharpe, motion carried;

WHEREAS, The cooperative believes in the principle of refunding capital credits;

WHEREAS, The financial condition of the cooperative will not be impaired by refunding capital credits as outlined below:

WHEREAS, The long-established fifteen year rotation for the refund of general retirement of capital credits for 2003 and additional retirements for more recent years are as follows:

2003	100%	\$1,261,004.87
2017	25%	277,019.69 Discounted
Total		<u>\$1,538,024.56</u>
2018 Early Retirement Deceased Patrons		\$ 100,000.00 Estimate
Total Refund		<u>\$1,638,024.56</u>

NOW THEREFORE BE IT RESOLVED, The Cooperative is in compliance with RUS and CFC mortgage requirements in making these refunds.

Certification of Delegates to the Board of Trustees for Central Electric Power Cooperative for 2019 was presented for consideration. Upon motion made by Allen Beer, seconded by Robert Entzminger, motion carried, Bruce Bacon and Joseph Sharpe were appointed delegates and the secretary authorized to sign the certification.

Trustees and voting delegates for NRECA for 2019 were presented for consideration. Upon motion made by Robert Entzminger, seconded by John Bloodworth, motion carried, Bruce Bacon and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

NRECA's Legislative Conference to be held April 28 – 30 in Washington was discussed. Upon motion made by John Roberts, seconded by Allen Beer, motion carried, the following were authorized to attend: Robert Entzminger, John Bloodworth, Mitch Rabon, and Tim Hopkins.

John Roberts provided an update on the Trustee Association and reported the 2019 Association Conference will be held April 8 – 10 at Marina Inn at Grande Dunes. Upon motion made by Allen Beer, seconded by John Bloodworth, motion carried, the following were authorized to attend: Mitch Rabon, John Roberts, Tim Hopkins, John Bloodworth, Kenny Miles, Allen Beer, Joe Sharpe, Keith Lewis, and Robert Entzminger.

John Roberts reported the Trustee Association meeting originally scheduled for January 27th had been rescheduled to January 30th. Upon motion made, seconded, and carried, his attendance on January 30th was approved.

Under old business, fleet reports including vehicle operational costs, assignments, and use having been previously provided to board members were reviewed and discussed. John Bloodworth and Kenny Miles gave their overall committee review opinion the fleet was being efficiently and reasonably used.

Bruce Bacon advised Don McCord, CEO of CEEUS, has announced his retirement effective January 31, 2020.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

January 28, 2019

There was no new business to come before the board.

There being no further business to come before the Board, upon motion made by Robert Entzminger, seconded by John Bloodworth, motion carried, the meeting was adjourned.

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Mitchell D. Rabon, President