

REGULAR MEETING OF MEMBERS OF THE BOARD

January 25, 2021

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, January 25, 2021, at 12:30 p.m. at the cooperative headquarters in Blythewood, South Carolina. The following board members were present:

Mitchell D. Rabon	Robert Entzminger	Peggy D. Swearingen
Timothy L. Hopkins	Cynthia Able	Derial L. Ogburn
Donald Keith Lewis	John E. Roberts, III	Robert K. Miles
Joseph E. Sharpe	William C. Good	

Attorney Ken DuBose was present.

President Mitch Rabon called the meeting to order and Robert Entzminger gave the invocation.

Upon motion made by Derial L. Ogburn, seconded by John E. Roberts, III, motion carried, the minutes of the meeting held on December 14, 2020, were approved as presented.

Upon motion made by Timothy L. Hopkins, seconded by Cynthia Able, motion carried, 243 new consumers for the month of December were accepted as members of Fairfield Electric Cooperative, Inc.

A list of delinquent accounts totaling \$4,847.52 for the month of December was presented for consideration for write off as uncollectible. Upon motion made by Donald Keith Lewis, seconded by Joseph E. Sharpe, 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 John E. Roberts, III, seconded by Robert Entzminger, motion carried, the following resolution was adopted:

The estates of 3 deceased members have requested the Board of Directors give consideration to approving the retirement of \$1,869.11 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 \$1,869.11 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.

MEETING OF MEMBERS OF THE BOARD CONTINUED

January 25, 2021

Bruce Bacon, Chief Executive Officer, reviewed the monthly financial reports and the Fourth Quarter Controllable Expenses Report with the board.

Bruce Bacon reported Operation Round Up's next board meeting will be held on Monday, February 15.

Bruce Bacon reported seven new security systems and three camera systems were installed, one system was converted from another company, and thirty eight service calls were completed during December.

Bruce Bacon reported a draft of the updated 2021 Service Policy Manual has been given to each board member for review. This will be an agenda item for the March board meeting for approval.

Bruce Bacon reported the Trustee Association Conference in April in Myrtle Beach has been cancelled due to COVID 19 concerns. A one-day virtual event is being planned.

Bruce Bacon also reported the SC Legislative Reception scheduled for February 16 has been cancelled due to COVID 19.

Bruce Bacon reported board Candidate Information Packages are being provided to all incumbents subject to re-election and other packages are being provided as requested by members to any interested candidates for election at the 2021 Annual Meeting for Districts 1, 2, and 3.

Compensation disclosures were distributed to board members for review prior to posting on the cooperative's website as required by the Office of Regulatory Staff.

The general retirement of capital credits was presented and the following resolution was adopted upon motion made by William C. Good, seconded by Donald Keith Lewis, 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 2005 and additional retirements for more recent years are as follows:

MEETING OF MEMBERS OF THE BOARD CONTINUED

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RESOLUTION CONTINUED

2005	100%	\$ 720,701.57
2018	40%	310,331.23 Discounted
2019	75%	689,695.45 Discounted
Total		<u>\$1,720,728.25</u>
2020 Early Retirement Deceased Patrons		\$ 91,000.00 Estimate
Total Refund		<u>\$1,811,728.25</u>

NOW THEREFORE BE IT RESOLVED, The Cooperative is in compliance with RUS and CFC mortgage requirements in making these refunds, the general retirement of capital credits as shown above are approved.

The 2021 Annual Meeting was discussed. Upon motion made by Timothy L. Hopkins, seconded by Cynthia Able, motion carried, the annual meeting was scheduled for Friday, May 21, 2021. Due to COVID 19 safety concerns for members and staff, early voting by drive through voting and drive through registration was approved and the business meeting will be a virtual meeting live streamed at the Blythewood Cooperative office on May 21, 2021, at 6:00 p.m. The Chief Executive Officer and pertinent bylaw committees are authorized to cause to be performed all acts necessary to accomplish the holding of the virtual annual business meeting and early voting and early registration by the membership.

In accordance with Section 4.05 of the By-Laws, Trustee Districts, the Trustee District Map was reviewed. Upon motion made by Derial L. Ogburn, seconded by Donald Keith Lewis, motion carried, the Trustee District Map will remain unchanged. The 9- single member districts were approved by the membership at the 2020 Annual Meeting now requiring bylaw changes to implement. Proposed bylaw amendments will be presented to the membership at the 2021 Annual Meeting to implement the 9 single member districts.

Upon motion made by Derial L. Ogburn, seconded by Peggy D. Swearingen, 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 2021 to nominate trustee candidates for each of Districts 1, 2, and 3.

MEETING OF MEMBERS OF THE BOARD CONTINUED

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2021 NOMINATING COMMITTEE

Lonnie M. Campbell
Wallace Preston
Dora Taylor
Cathi Gladden

Creighton Taylor
Thomas H. Martin
Kimberly Simon
Carlton Payne

Napoleon Moore
Randolph Frick
Brad Douglas

In accordance with state law, John E. Roberts, III, Joseph E. Sharpe, and William C. Good recused themselves from the discussion and vote.

Certification of Delegates to the Board of Trustees for Central Electric Power Cooperative for 2021 was presented for consideration. Upon motion made by Derial L. Ogburn, seconded by Joseph E. Sharpe, motion carried, Bruce Bacon and Mitch Rabon were appointed delegates.

Trustees and voting delegates for NRECA for 2021 were presented for consideration. Upon motion made by Robert Entzminger, seconded by John E. Roberts, III, motion carried, Bruce Bacon and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

Trustees and voting delegates for NRTC for 2021 were presented for consideration. Upon motion made by Donald Keith Lewis, seconded by John E. Roberts, III, motion carried, Robert Entzminger and Cynthia Able were appointed trustees with Cynthia Able being the voting delegate and Robert Entzminger being the alternate.

Trustees and voting delegates for CFC for 2021 were presented for consideration. Upon motion made by John E. Roberts, III, seconded by Joseph E. Sharpe, motion carried, Bruce Bacon and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

Cynthia Able provided an update on behalf of the Benefit Review Committee. Medical insurance costs were shared and discussed. A committee meeting has not yet been scheduled. Once a committee meeting has been set, questions regarding medical insurance costs will be addressed. The goal is to keep costs down.

Keith Lewis and Bruce Bacon provided an update on the conditions of the Winnsboro Office. Termite problems, water damage, mold, possibly asbestos, structural, and other problems are being evaluated to determine if repairing and renovating are practicable or if demolition and replacement is needed. The Winnsboro office is in bad shape. A possible new building for collections was discussed. The possible purchase of property for a new building was discussed.

MEETING OF MEMBERS OF THE BOARD CONTINUED

January 25, 2021

Mitch Rabon and Bruce Bacon provided an update and discussion on Central Electric Power Cooperative's ten year strategic plan-operational model. The board received information and discussed possible options being considered by Central Electric Power Cooperative and how the options impact the Cooperative.

Derial Ogburn provided an update and discussion on the Electric Cooperatives of SC and the continuing need for greater transparency regarding the CEO and five top officials total compensation and retirement benefits. Derial Ogburn provided information as to the costs associated with membership in Electric Cooperatives of SC and how it impacts the Cooperative. The membership was discussed by the Board as to costs and benefits.

John Roberts provided no new report on the Trustee Association and advised any new information will be shared once received at subsequent board meeting.

Old business: Peggy Swearingen discussed the bid to purchase water heaters from CEEUS and possibly purchasing water heaters at wholesale from other vendors was discussed.

New business: Tim Hopkins discussed a possible celebration (Founders Day) for the anniversary of Fairfield Electric Cooperative, Inc..

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

Signed: _____
Robert K. Miles, Secretary
APPROVED

ATTEST: _____
Mitchell D. Rabon, President