

REGULAR MEETING OF MEMBERS OF THE BOARD

July 30, 2018

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, July 30, 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, III	Donald K. Lewis
William C. Good	Timothy L. Hopkins	Peggy B. Jeffcoat
Allen L. Beer	Mitchell D. Rabon	Robert K. Miles
Robert Entzminger	John A. Bloodworth, Jr.	

Attorney Ken DuBose was also present.

Chairman Mitchell D. Rabon called the meeting to order and Robert Entzminger gave the invocation.

Dan Bruning, Senior Principal, NRECA National Consulting Group, presented the wage and salary report. After discussion and upon motion made by Joseph Sharpe, seconded by John Bloodworth, motion carried, the annual salary increase of \$155,000.00 (3.72 percent of midpoint) was approved. Chairman Rabon discussed various other benefits, safety bonuses, and Christmas bonuses.

Upon motion made by Keith Lewis, seconded by Robert Entzminger, motion carried, the minutes of the meetings held on June 18, 2018, June 25, 2018, and July 5, 2018, were approved as presented."

Upon motion made by Tim Hopkins, seconded by John Bloodworth, motion carried, the 273 new consumers for the month of June 2018 were accepted as members of Fairfield Electric Cooperative, Inc.

Bruce G. Bacon, Interim Chief Executive Officer, reported on Mary Miner and thanked Robert Entzminger for remembrance of her in prayer.

Daniel M. Connor, V.P. Finance, presented and discussed the financial and statistical reports for the month of June 2018.

Bruce Bacon reported Operation Round Up's next board meeting will be held on Monday, August 20th at 5:00 p.m. He also reported the bylaws for FEC Trust, the dates of their 2018 meetings, and Round Up disbursements were provided to all board members for their information.

Bruce Bacon reported five new security systems were sold in the last month and one other system was converted from another company.

Bruce Bacon provided updates and discussions were held on the following: ACRE / ECHO, Cooperative Youth Summit, Central / Duke joint board meeting, The State reporter questionnaire, Central's adjust-to-actual, Tri-County Co-op, and issues surrounding Santee Cooper. Director Sharpe reported on Central's offer to Santee Cooper and Attorney DuBose further discussed the Santee Cooper issues.

Bruce Bacon discussed the need for a Strategic Plan for the cooperative and recommended the Farrell Group for a Strategic Planning Meeting in August. Director Hopkins suggested getting proposals from other Strategic Planning Consultants.

Director Bloodworth thanked board members for the memorial to the Lowman Home in memory of his mother.

A list of delinquent accounts totaling \$2,921.27 for the month of June 2018 was presented for consideration for write off as uncollectible. Upon motion made by John Bloodworth, seconded by Tim Hopkins, motion carried, authorization was granted to write these off against the cooperative's reserve for uncollectible accounts.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

July 30, 2018

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 Bloodworth, seconded by Robert Entzminger, motion carried, the following resolution was adopted:

The estates of 18 deceased members have requested the Board of Directors to give consideration to approving the retirement of \$9,746.89 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 \$9,746.89 be approved for payment. In addition, it should be noted 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.

Voting delegates for the NRECA Regional Meeting were discussed. Upon motion made by John Bloodworth, seconded by John Roberts, motion carried, Bruce Bacon and Mitch Rabon were appointed delegates with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

CoBank's Revolving Credit Promissory Note was presented to amend and restate current board officers. Upon motion made by Joseph Sharpe, seconded by Robert Entzminger, motion carried, this was approved.

CFC's Resolution to update Paying Agent Services for authorized signatures was presented and discussed. Upon motion made by Joseph Sharpe, seconded by John Bloodworth, motion carried, the resolution was approved.

First Citizens Corporate Resolution for deposit accounts and other relationships updating authorized signatures was presented and discussed. Upon motion made by Joseph Sharpe, seconded by John Bloodworth, motion carried, the First Citizens banking documents were approved.

Mark Connor presented and reviewed CFC's Key Ratio Trend Analysis report with the board.

John Bloodworth reported there has been no recent activity with the Trustee Association.

Mitchell Rabon presented and discussed a resolution to effectuate the Transparency Policy adopted unanimously by the Board of Trustees on February 19, 2018. Upon motion made by John Roberts, seconded by Keith Lewis, motion carried, the following resolution was adopted:

RESOLVED BY THE BOARD OF TRUSTEES OF FAIRFIELD ELECTRIC COOPERATIVE, INC. that:

1. The following policy was adopted unanimously by the Board of Trustees on February 19, 2018 (Transparency Policy).

The Board of Trustees adopts a policy of full transparency of the total direct and indirect compensation of its officers and trustees from all sources resulting from service on the Cooperative Board or as a result of appointment by the Cooperative Board to any board or commission or service on any board or commission affiliated with or related to the Cooperative or to which the Cooperative is a member or participants in or has an interest in and from the Cooperative directly or indirectly including but not limited to per diem, wages, salaries, commissions, consulting fees, etc. (compensation).

2. To effectuate the Transparency Policy the compensation is to be disclosed by posting a copy of the 990 Reporting Form for the last three (3) years from the Cooperative on the Cooperative's website

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

July 30, 2018

RESOLUTION CONTINUED

3. In addition to posting the Form 990 on the Cooperative website, individual members of the Board of Trustees and any other person subject to the Transparency Policy shall provide to the Cooperative any compensation subject to the Transparency Policy not reported on the 990 forms for the past three (3) years.
4. Any compensation received by the CEO from Central Electric Cooperative or CEEUS or any other outside source or vendor related to or associated with the Cooperative shall be credited against the CEO's compensation and considered in establishing the compensation for the CEO unless otherwise authorized by the Board of Trustees.
5. The compensation on a yearly calendar basis for the Chief Executive Officer (CEO) for the Cooperative for the past three (3) years shall be reported on the Cooperative website.
6. The Cooperative shall post in its website the time and dates and place of its scheduled board meetings as well as the time and date of any called or special meetings.
7. The By-Laws of the Cooperative likewise be posted on the Cooperative website.
8. Copies of the Minutes of the Cooperative for the current year and going forward likewise shall be posted on the website within thirty (30) days of adoption by the Board of Trustees and that further any matter of a personal nature or that would disclose propriety information of Fairfield Electric Cooperative, Inc. will be redacted from the Minutes prior to posting with a notice of redaction and an explanation.

IT IS SO RESOLVED by Fairfield Electric Cooperative, Inc. this 30th day of July, 2018.

There was no old business to come before the board.

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Keith Lewis thanked Bruce Bacon for the good job he was doing as Interim CEO.

Upon motion made by Robert Entzminger, seconded by John Bloodworth, motion carried, the board was declared in executive session.

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

There being no further business to come before the board, upon motion made, seconded, and unanimously approved, the meeting was adjourned.

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Mitchell D. Rabon, President