

REGULAR MEETING OF MEMBERS OF THE BOARD

November 25, 2019

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, November 25, 2019, at 12:30 p.m. at the cooperative headquarters in Blythewood, South Carolina. The following board members were present:

Mitchell D. Rabon	Robert Entzminger	Robert K. Miles
Timothy L. Hopkins	Peggy B. Jeffcoat	Joseph E. Sharpe
Donald Keith Lewis	John E. Roberts, III	Cynthia E. Able
Allen Beer	William C. Good	

Attorney Ken DuBose was present.

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

President Rabon welcomed Chip Hardy of FinTrust Advisors who provided A Fiduciary Fitness Training Program for board members covering the following topics:

1. Fiduciary Duties & Responsibilities
2. Strategies to Help Minimize Fiduciary Liability
3. Selecting & Monitoring Service Providers
4. Selecting & Monitoring Investments
5. Fees and Expenses

Minutes of the board meeting held on October 28, 2019, were approved as presented upon motion made by Joe Sharpe, seconded by Keith Lewis, motion carried.

Upon motion made by Tim Hopkins, seconded by Robert Entzminger, motion carried, 238 new consumers for the month of October were accepted as members of Fairfield Electric Cooperative, Inc.

Vicky Melvin, Controller, presented and discussed the financial and statistical reports for the month of October and provided financial and equity management training for trustees. Additionally, an example of a controllable expenses report was shared and will be provided on a quarterly basis going forward.

Bruce Bacon, Chief Executive Officer, reported the Operation Round Up board will meet on December 9 and Operation-Give-A-Turkey provided Thanksgiving meals and groceries for 70 needy families throughout the service area.

Bruce Bacon reported four new security systems were sold and two other systems were converted from other companies within the last month.

Bruce Bacon reported auditors are on site this week starting the annual audit and will return in January to complete their work.

Bruce Bacon discussed changes to reporting director's expenses effective 2019 and the accounting records required.

Bruce Bacon advised BlueChoice representatives will be on site on December 5th to present BlueChoice medical coverage information to insured individuals in preparation for the January 1 change in medical insurance providers.

Bruce Bacon reported there was a vacancy on the ECSC Executive Committee Member 2 Position and discussed the process to fill the vacancy.

Bruce Bacon provided updates on the Santee Cooper lawsuits and discussed the Department of Administration's bid process and restrictions in place relating to that.

MEETING OF MEMBERS OF THE BOARD CONTINUED

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Bruce Bacon reported a cooperative milestone was reached on Wednesday, November 20th, having reached 30,000 customer accounts being served.

A list of delinquent accounts totaling \$5,737.25 for the month of October 2019 were approved for write off against the cooperative's reserve for uncollectible accounts upon motion made by Cynthia Able, seconded by Kenny Miles, motion carried.

A list of deceased patron's estates requesting payment of capital credits was presented for consideration. After discussion and upon motion made by John Roberts, seconded by Joe Sharpe, motion carried, the following resolution was adopted:

The estates of 12 deceased members have requested the Board of Directors give consideration to approving the retirement of \$4,337.97 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 \$4,337.97 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.

The 2020 consolidated budget having been previously provided to trustees and approved by the appropriate board committees was presented and discussed. Upon motion made by Joe Sharpe, seconded by Cynthia Able, motion carried, the 2020 budget was approved as presented.

As requested at the previous board meeting, quotes for annual auditing services were obtained and submitted to the board for their consideration and approval. Four qualified firms submitted bids and one other declined to bid. Upon motion made by Joe Sharpe, seconded by Kenny Miles, motion carried, the board entered an executive session to discuss the selection of accountants to perform the annual audit for 2020. At the conclusion of the executive session, upon motion made, seconded, and carried, the board returned to its regular meeting session. Thereafter, upon motion made by Joe Sharpe, seconded by Robert Entzminger, motion carried, the accounting firm Elliott Davis was selected to perform the 2020 audit at a cost of \$61,975. They will consult with the board prior to starting auditing services.

Adoption of the "Voting District Referendum Question" for submission to the cooperative's membership at the 2020 annual meeting was presented and discussed by Attorney Ken Dubose. Upon motion made by Keith Lewis, seconded by John Roberts, motion carried, the following referendum 9 Single-Member Districts & 2 Members Elected at Large Ballot Introduction and Question was unanimously approved:

9 SINGLE-MEMBER DISTRICTS AND 2 MEMBERS ELECTED AT LARGE

Ballot Introduction and Question: For the notice and the actual ballot, you have asked us to provide a concise introduction and question that will quickly and accurately convey the matters under consideration. We recommend the following introduction:

"In 2019, the South Carolina General Assembly passed governance reform legislation for the state's electric cooperatives. The recommended bylaw changes below are designed to comply with that legislation. In addition, the General Assembly passed a law requiring cooperative members to consider single-member voting districts. The Board of Directors of the cooperative proposes to divide the service territory into nine geographic districts with each district represented by one trustee on the board. We also propose to have one at-large district which encompasses all nine geographical districts and represented by two trustees on the board. This structure would allow you to vote for candidates in the district where you reside as well as candidates in the at-large district. Your Cooperative's board recommends that you vote "Yes" for the bylaw changes and the structure recommended for single member voting districts."

MEETING OF MEMBERS OF THE BOARD CONTINUED

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9 SINGLE-MEMBER DISTRICTS AND 2 MEMBERS ELECTED AT LARGE
Ballot Introduction and Question: (Continued)

This introduction is designed to allow for a single ballot question and a “yes or no” response:

“Do you approve the Board’s recommendation to adopt the proposed bylaw changes and the structure recommended for nine (9) single member voting districts for trustees and an at large district with two (2) trustee positions?”

YES
NO

Upon motion made by Allen Beer, seconded by Keith Lewis, motion carried, the proposed bylaw amendments were approved as presented to the board members for adoption by the membership at the 2020 Annual Meeting.

Inasmuch, as the Board has recommended a proposed change in the Trustee Districts to (9) single member districts and one at large district with (2) trustee positions, Attorney DuBose recommended the current trustee district map remain unchanged until the members decide the single member district referendum question at the 2020 annual meeting. If the referendum question is approved, the district map would be totally and completely redrawn. Approval of the Trustee District Map will be on the December meeting agenda.

John Roberts will provide a Trustee Association update after their meeting in December.

There was no old business to come before the board.

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

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Mitchell D. Rabon, President