

REGULAR MEETING OF MEMBERS OF THE BOARD

November 23, 2020

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, November 23, 2020, 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.

Steve Davidson, Vice President of Information Technology, provided technical assistance during Zoom user training in preparation for The Electric Cooperatives of SC virtual annual meeting and winter conference.

Upon motion made by Derial L. Ogburn, seconded by John E. Roberts, III, motion carried, the minutes of the meeting held on October 26, 2020, were approved as presented.

Upon motion made by John E. Roberts, III, seconded by Robert Entzminger, motion carried, 263 new consumers for the month of October were accepted as members of Fairfield Electric Cooperative, Inc.

A list of delinquent accounts totaling \$2,793.35 for the month of October was presented for consideration for write off as uncollectible. Upon motion made by Cynthia Able, seconded by Timothy L. Hopkins, 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 Joseph E. Sharpe, seconded by John E. Roberts, III, 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 \$11,013.93 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,

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Management recommends capital credits totaling \$11,013.93 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.

Bruce Bacon, Chief Executive Officer, presented and discussed the monthly financial reports with the board.

Bruce Bacon reported Operation Round Up's next board meeting will be held on Monday, December 14 and advised meals and groceries for over 70 needy families will be provided on Tuesday, November 24th, through the Operation Give-A-Turkey program.

Bruce Bacon reported six new security systems were installed, two systems were converted from other companies, and fifty service calls were completed during October.

Bruce Bacon reported on Central's load factor and invoicing, the Rural Development Act, Economic Development funds, and on the Cook Case payments received by members (which are not being facilitated or paid by the cooperative).

The 2021 consolidated budget having been previously provided to trustees and approved by the appropriate board committees was presented and discussed. Upon motion made by Robert Entzminger, seconded by William C. Good, motion carried, the 2021 budget was approved as presented with the understanding that the 2021 budget be further refined.

Derial Ogburn, Chairman of the Bylaws / Single Member District Committee, presented the committee's recommendation on the proposed bylaw changes and a proposed map for single member districts. After discussion upon motion made by Derial Ogburn, seconded by Robert Entzminger, motion carried, the proposed bylaw changes as recommended by the committee were approved for submittal to the members at the 2021 Annual Meeting as to the Bylaws as contained in Exhibit D submitted at the meeting. After discussion upon motion made by Donald Keith Lewis, seconded by Robert Entzminger, motion carried, the Report from the Bylaw and Single-Member District Committee to the Board of Trustees was made a part of the board meeting record.

Cynthia Able provided an update on behalf of the Benefit Review Committee. Ms. Able stated another benefit session would be held in December 2020 or January 2021.

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Mitch Rabon and Bruce Bacon provided an update on Central Electric Power Cooperative.

Derial Ogburn and Mitch Rabon provided an update and discussion on the Electric Cooperatives of SC and the ECSC's need for greater transparency as to compensation disclosures to its members.

Robert Entzminger provided an update on CEE-US activities and shared information provided by the CEO of CEE-US. Mr. Entzminger stressed the need for transparency regarding officers and key employee salary and benefits. Mr. Entzminger feels this information should be provided to the trustees of member cooperatives.

John Roberts provided an update on the Trustee Association's WebEx meeting held on October 30, 2020. The Trustee Association Spring meeting is tentatively scheduled to take place April 6-8, 2021 in Myrtle Beach, South Carolina. The Trustee Association appointed the following trustees to the steering committee:

Connie Shuler of Berkley Coop
George Gibson of Black River Coop
Charles Adair of Laurens Coop
Mike Shirley of Little River Coop
Jim Dodgens of Blue Ridge Coop
Jamie Copeland of Coastal Coop

Upon motion made by Joseph E. Sharpe, seconded by Timothy L. Hopkins, motion carried, the board entered an executive session to review and discuss the performance evaluation of the CEO. The CEO's performance review was presented and discussed with the CEO. At the conclusion of the executive session, upon motion made, seconded, and carried, the board returned to its regular meeting session.

Conflicts of Interest. The Board discussed a Conflict of Interest Policy involving the cooperative doing business with a business in which a trustee has a direct economic interest.

Mr. DuBose referenced S.C. Code Section 33-49-160(2)(a) which provides a trustee cannot "knowingly use his position as a trustee or an officer of the association to obtain an economic interest in addition to his compensation, if any, for serving as a member of the board of trustees or as an officer for himself, a family member, an individual with whom he is associated, or a business with which he is associated" and provides for disclosure by trustees of benefits received in goods and services. Mr. DuBose and Bruce Bacon, CEO, stated the policy of the cooperative is to not do business with a business that a trustee has a financial interest in or a business that results in a direct

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financial benefit to a trustee. Bruce Bacon informed the board that the cooperative used best practices in competitive bidding and used competitive bids for fuel delivery and purchased from the low bid.

The Board indicated a need for transparency as to any financial benefit received by trustees as a direct result of the cooperative doing business with a trustee or a trustee's family member.

Upon motion of Derial Ogburn, seconded by John Roberts, motion unanimously adopted that a conflict of interest policy incorporating state law and further prohibiting the cooperative from doing business with a trustee or a business that a trustee has a direct financial interest in or a business that results in a direct financial gain to a trustee is adopted and that further the board review required conflict of interest statements as submitted by trustees and that further in the event a conflict of interest complaint is made that the board of trustees review the complaint and respond.

There was no old business to come before the board.

New Business: Upon motion made by Timothy L. Hopkins, seconded by Joseph E. Sharpe, motion carried, Cynthia Able, Derial Ogburn, and Peggy Swearingen were authorized to participate in NRECA's Virtual Winter Director School training classes to be held December 14-17, 2020.

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