

## REGULAR MEETING OF MEMBERS OF THE BOARD

December 17, 2018

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, December 17, 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	Timothy L. Hopkins
John A. Bloodworth, Jr.	Robert K. Miles	Allen L. Beer
Mitchell D. Rabon	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 John Tiencken, Attorney for Central Electric Power Cooperative, who provided an update on Central's Strategy Assessment Team. Mr. Tiencken reported on and discussed the Public Service Commission's decision regarding SCE&G, Santee Cooper lawsuits, the General Assembly's use of ICF, an international consulting company, to test the market to sell Santee Cooper. He also discussed Central's Coordination Agreement which was modified in 2013 to provide longer terms for debt financing through 2058.

Upon motion made by Tim Hopkins, seconded by Robert Entzminger, motion carried, the minutes of the meeting held on November 26, 2018, were approved as presented.

Upon motion made by John Roberts, seconded by Kenny Miles, motion carried, the 232 new consumers for the month of November 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 November 2018. She presented information on the cooperative's debt to equity ratios from 1980 to current. Additionally, she reported RUS requires a 30% debt to equity ratio for the general retirement of capital credits to consumers. President Rabon shared comparisons that included margins, debt, and growth for the Board's information.

Bruce Bacon reported the Operation Round Up board met on December 10<sup>th</sup> and made donations to two fire victims, needy families, the American Red Cross, Christian Assistance Bridge and to Bridge Builders who construct wheel chair ramps for physically challenged individuals. Additionally, the Operation-Give-A-Turkey program will provide Christmas meals and groceries for 50 needy families and care baskets are being provided to the elderly that were adopted for Christmas.

Bruce Bacon reported six new security systems and a Caregard System were sold in the last month adding 7 monitored accounts.

Bruce Bacon advised the cooperative will be closed on December 24, 25, and January 1 in observance of holidays and duty personnel will be on stand-by to respond to any outages or emergencies.

Bruce Bacon provided updates on the Strategic Planning meetings, Santee Cooper EAR, and Statewide's annual meeting.

Bruce Bacon reported two year contracts were being bid with Pike Electric, Sumter Utilities, and Lee Electric. He also reported material bid packages were requested from CEE-US, Anixter, and WESCO for price comparisons to ensure economical purchases are being made on materials.

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Bruce Bacon advised the Nominating, Member Advisory, and the Credentials & Election Committees will need to be appointed at the January and February board meetings. He also reported the following board members will be up for re-election at the 2019 annual meeting:

<b>District 1</b>	<b>District 2</b>	<b>District 3</b>	<b>At Large</b>
Keith Lewis	John Bloodworth	Mitchell Rabon	Tim Hopkins

Bruce Bacon reported RDA funds are being provided for Kershaw County in the amount of \$90,950.00, \$210,000.00 to the I-77 Alliance for a Fairfield County project, and \$300,000.00 for Richland County which is being reimbursed from Santee Cooper for a prior RDA project that did not go forward. He also discussed economic development efforts by the service area counties and the influence incentive rates have on industrial prospect site selections.

Bruce Bacon reported negotiations with SCE&G on territorial assignment exchanges are on hold due to an issue between Coastal Electric and SCE&G.

A list of delinquent accounts totaling \$1,166.97 for the month of November 2018 was presented for consideration for write off as uncollectible. Upon motion made by John Roberts, seconded by Joe 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 Joe Sharpe, seconded by Allen Beer, motion carried, the following resolution was adopted:

The estates of 11 deceased members have requested the Board of Directors give consideration to approving the retirement of \$5,538.41 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 \$5,538.41 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.

NRECA's Annual Meeting to be held March 10 – 13 in Orlando was discussed. Upon motion made by John Roberts, seconded by Joe Sharpe, motion carried, the following were authorized to attend: John Bloodworth, Robert Entzminger, Mitch Rabon, and Joe Sharpe.

Voting delegates for NRTC were discussed and upon motion made by John Roberts, seconded by Kenny Miles, motion carried, Robert Entzminger was appointed voting delegate and John Bloodworth was appointed alternate.

Attorney Ken DuBose discussed proposed responses to the Principles of Cooperative Governance survey. A board consensus was reached for DuBose to proceed with responses as presented.

John Roberts reported the Trustee Association met during the ECSC winter conference and he advised the Trustee Association is not in favor of the General Assembly legislating cooperative governance actions. He reported the association will sponsor a youth tour representative as in the past. The next meeting of the Trustee Association will be held on January 27<sup>th</sup> and upon motion made by John Bloodworth, seconded by Keith Lewis, motion carried, John Roberts was authorized to attend on behalf of Fairfield Electric Cooperative.

Under old business, Kenny Miles presented a fleet use report and reviewed the benefits of purchasing equipment rather than leasing equipment with a determination it's in the cooperative's best interest to purchase equipment. Additional information will be provided at the next meeting.

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Under new business, John Bloodworth reported he had been elected as ECSC's representative to the CEE-US board where he will not receive per diem compensation as ECSC does not pay per diem compensation. He will serve as ECSC's representative on the CEE-US board and not as Fairfield's representative.

After discussion President Rabon recommended reviewing the cooperative's purchasing and procurement procedures. Upon motion made by John Roberts, seconded by Joe Sharpe, motion carried, Tim Hopkins was appointed and authorized to request and review the information and report back to the board.

Upon motion made by Keith Lewis, seconded by Joe Sharpe, motion carried, the board entered an executive session to discuss personnel matters.

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

Upon motion made by Keith Lewis, seconded by John Bloodworth, motion carried, Bruce G. Bacon was hired as Chief Executive Officer of Fairfield Electric Cooperative effective January 1, 2019. After acceptance of this position by Bruce Bacon, board members expressed their individual appreciation for the job Mr. Bacon had done over the last six months and provided guidance and support going forward.

At the recommendation of President Rabon and upon motion made by Tim Hopkins, seconded by Keith Lewis, motion carried, Bruce G. Bacon's salary was increased to \$175,000.00 annually effective January 1, 2019, as CEO, and authorization was granted for Mr. Bacon to accept per diem direct compensation from Central Electric Cooperative for serving on their board. Any other future direct compensation from any other affiliated organizations will need to be discussed and approved by the Board of Trustees.

There being no further business to come before the Board, upon motion made by Joseph Sharpe, seconded by Tim Hopkins, motion carried, the meeting was adjourned.

Signed: \_\_\_\_\_  
Peggy B. Jeffcoat, Secretary

ATTEST: \_\_\_\_\_  
Mitchell D. Rabon, President