

REGULAR MEETING OF MEMBERS OF THE BOARD

February 19, 2018

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, February 19, 2018, at 12:30 p.m. at the Cooperative headquarters in Blythewood, South Carolina. The following board members were present:

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

Attorney J. Kennedy DuBose, Jr., was also present.

President Joseph Sharpe called the meeting to order and the invocation was given by Robert Entzminger.

Upon motion made by John Bloodworth, seconded by Robert Entzminger, motion carried, the minutes of the meetings held on January 22, 2018, and on January 31, 2018, (Conference Call Meeting) were approved as presented.

Upon motion made by Mitchell Rabon, seconded by Kenneth Miles, motion carried, the 189 new consumers for the month of January 2018 were accepted as members of Fairfield Electric Cooperative, Inc.

Mark Connor, Vice President, Finance, presented and discussed the financial and statistical reports for the month of January 2018.

William L. Hart, Chief Executive Officer, reported on the unusual weather's impact on power supply and power cost.

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

William Hart reminded board members the Nominating Committee will meet at 11:00 a.m. on Monday, March 19th.

William Hart reported the Member Advisory and the Credentials & Election Committees will meet on Thursday, April 26th.

William Hart reported board members for Fairfield Electric Trust Corporation for Operation Round Up will need to be appointed at the April meeting. Beverly Grier from District 1 and Randy Frick from District 2 are eligible for a second term. Norman Nelson from District 3 is not eligible to serve another term after having served two consecutive terms.

William Hart reported on the second solar project which is located adjacent to the Wateree Substation.

William Hart provided a legislative update regarding Santee Cooper and on the SCANA lawsuits in regards to the failed nuclear project in Fairfield County.

Policy Bulletin # 29, Conflicts of Interest, along with a Certification & Disclosure Form were distributed to each board member and discussed. The certification and disclosure form was completed and signed by each board member.

A list of delinquent accounts totaling \$4,732.70 for the month of January 2018 was presented for consideration for write off as uncollectible. Upon motion made by William Good, seconded by Allen Beer, motion carried, authorization was granted to write these off against the cooperative's reserve for uncollectible accounts.

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The Member Advisory Committee members were reviewed. Upon motion made by Keith Lewis, seconded by John Roberts, motion carried, the committee was appointed for 2018 (See committee list attached).

Appointments to the Credential and Election Committee were reviewed and discussed. Upon motion made by Allen Beer, seconded by John Bloodworth, motion carried, the committee was appointed for 2018 with no changes being made.

A resolution updating the current line of credit and note with CoBank was presented and discussed. Upon motion made by John Bloodworth, seconded Keith Lewis, motion carried, the following resolution was adopted:

WHEREAS, the above named entity (the "Borrower"), under its articles of incorporation, bylaws, or other organizational documents (the "Organizational Documents"), has full power and authority to borrow money, to secure the same with its own property and property delivered to it for marketing or otherwise and to perform all obligations associated therewith.

WHEREAS, the Board of Trustees of the Borrower (the "Board") has determined that it is in the best interest of the Borrower to become a member of CoBank, ACB ("Lender") and to enter into the transactions described in this Resolution.

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner, with the Board having full power and authority under the Organizational Documents to adopt this Resolution and legally bind the Borrower to the terms hereof.

NOW, THEREFORE, BE IT RESOLVED, that each of the following persons or positions President, Vice President, Treasurer and any others to be authorized under this Resolution (the "Authorized Signatories") of the Borrower are hereby jointly and severally authorized and empowered to obtain for and on behalf of the Borrower from time to time, from Lender, a loan or loans or other financial accommodations (including, without limitation, interest rate swaps, hedges, caps, collars or similar arrangements designed to protect against fluctuations in interest rates (the "Hedging Transactions"), letters of credit, note purchase agreements and bankers acceptances) (each, a "Loan") and for such purposes: (1) to execute and deliver such application or applications (including exhibits, amendments or notes thereto) as may be required for such Loan and all borrowings thereunder; (2) to obligate the Borrower to repay all amounts borrowed and pay such rate or rates of interest as the Authorized Signatories so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by Lender; (3) to obligate the Borrower to such other terms and conditions as the Authorized Signatories so acting shall deem proper; (4) to cause the Borrower to become a member of Lender and to obligate the Borrower to make such investments in Lender as required by Lender; (5) to execute and deliver to Lender or its nominee all such written loan agreements, interest rate swap, hedge, cap, collar or similar agreement, including any master agreement published by the International Swap and Derivatives Association, Inc. and such other documents and instruments as may be required by Lender in regard to or as evidence of any Loan made or Hedging Transaction entered into pursuant to the terms of this Resolution; (6) to pledge, grant a security interest or lien in, or assign property of the Borrower or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Borrower to Lender, and to execute and deliver to Lender or its nominee all such security agreements, pledges, mortgages, deeds of trust, financing statements and other documents as may be required by Lender in connection therewith; (7) from time to time to extend, amend, renew or refinance any such Loan and to execute and deliver all agreements, notes, instruments and other documents as may be required in connection therewith;

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CoBank Resolution (Continued)

(8) to reborrow from time to time all or any part of the amounts repaid to Lender on any Loan made pursuant hereto (whether for the same or a different purpose); (9) to execute and deliver to Lender such agreements, addenda, documents or instruments as may be required by Lender in the event that the Borrower elects to use Lender's electronic banking system (the "System"); (10) to execute and deliver to Lender any agreements, addenda, authorization forms and other documents or instruments as may be required by Lender in the event that the Borrower elects to use any services or products related to a Loan that are offered by Lender now or in the future, including without limitation an automated clearing house (ACH) service; (11) to direct and delegate to designated employees of the Borrower the authority to direct, by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein, and to direct Lender to deliver any property of the Borrower at any time held by Lender; and (12) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees and to direct the proceeds of advances to authorized accounts. In the absence of any direction or delegation authorized in (11) or (12) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby jointly and severally authorized to: (1) establish a Cash Investment Services Account with Lender; (2) make such investments therein as any Authorized Signatory shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby jointly and severally authorized and directed to do or cause to be done, from time to time, all things which may be necessary or proper to carry out the terms and intent of this Resolution.

RESOLVED FURTHER, that every act and action of any person heretofore executing any document or instrument delivered to Lender or its designee or required to create, make, enter into, perform, amend or confirm any obligation of the Borrower to or in favor of Lender, is hereby ratified, approved, adopted and confirmed as if it had been validly and lawfully authorized upon and as of the date of such act or action, notwithstanding any invalidity, defect or insufficiency that may exist or may have existed in the power or authority of such person then executing such document or instrument, and every such person and each of the Authorized Signatories are hereby jointly and delegated all necessary power and authority to effect the foregoing.

RESOLVED FURTHER, that any of the Authorized Signatories are hereby authorized and directed to cast the ballot of the Borrower in any and all proceedings in which the Borrower is entitled to vote for the selection of a member of Lender's board of directors or for any other purpose.

RESOLVED FURTHER, that this Resolution shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by Lender; provided that no such revocation or amendment shall affect the validity of any action or actions made or taken in reliance on such resolution(s) prior to the effective date of revocation. In addition, all authorities herein granted shall apply with equal force and effect to the successors in office of the Authorized Signatories herein named.

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CoBank Resolution (Continued)

RESOLVED FURTHER, that effective on the date when this Resolution is delivered to Lender, any and all prior resolutions authorizing and empowering Authorized Signatories of the Borrower to take actions as described herein are hereby revoked; provided that no such revocation shall affect the validity of any action or actions made or taken by Lender prior to the effective date of revocation.

RESOLVED FURTHER, that the Secretary or any Assistant Secretary of the Borrower is hereby authorized and directed to certify to Lender a copy of this Resolution, the names and specimen signatures of the Authorized Signatories, and if and when any change is made in the personnel of any Authorized Signatories, the fact of such change and the name and specimen signatures of the new Authorized Signatories. Lender shall be entitled to rely on any such certification until a new certification is actually received by Lender.

John Bloodworth reported on the upcoming Spring Trustee Association meeting to be held April 30 through May 2nd at Hilton Head. He also discussed the schedule and speakers for this event. Upon motion made by Allen Beer, seconded by William Good, motion carried, the following were authorized to attend: John Bloodworth, Robert Entzminger, Joseph Sharpe, and John Roberts.

Under old business, Attorney Ken DuBose explained and discussed the Motion on the agenda as made by Mitch Rabon and seconded by John Bloodworth at the January 22, 2018, meeting and by Motion of Keith Lewis seconded by John Roberts tabled until the meeting in February when Ken DuBose is present.

Mitch Rabon withdrew his previous Motion and made the following Motion:

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).

Compensation is to be reported to and disclosed by the trustees and officers to the Cooperative and made available to and provided to the members of the Cooperative.

The Motion was seconded by John Bloodworth and passed unanimously and adopted.

There was no new business to come before the board.

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

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

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

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Joseph E. Sharpe, President