

REGULAR MEETING OF MEMBERS OF THE BOARD

October 22, 2018

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, October 22, 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 was absent. Attorney Ken DuBose was present.

President Mitchell Rabon called the meeting to order and the invocation was given by Robert Entzminger.

President Rabon introduced Robert Hochstetler, President and Chief Executive Officer of Central Electric Power Cooperative, who gave a presentation on load factors, demand costs, power costs, and he provided updates on Central, Santee Cooper, and SEPA.

Upon motion made by Keith Lewis, seconded by Allen Beer, motion carried, the minutes of the meeting held on September 24, 2018, were approved as presented.

Upon motion made by John Bloodworth, seconded by Joseph Sharpe, motion carried, the 208 new consumers for the month of September 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 September 2018.

Bruce G. Bacon, Interim Chief Executive Officer, reported the Operation Round Up board met on Monday, October 15, and made donations to two fire victims, seven needy families, the Boys & Girls Club (Jackson Teen Center), and the cooperative's Adopt-An-Elder & Operation Give-A-Turkey programs for Thanksgiving and Christmas.

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

Bruce Bacon reminded the board of the upcoming budget committee meetings scheduled as follows:

November 13, 2018	Audit & Planning Committee	- 11:00 a.m.
	Budget & Finance Committee	- 11:30 a.m.
	Policy & Operations Committee	- 1:00 p.m.
	Public Relations Committee	- 1:30 p.m.

Bruce Bacon reminded board members of the Christmas Dinner that will be held on Saturday evening, December 8th.

Bruce Bacon reported on outages from Hurricanes Florence and Michael and advised crews were sent to Middle Georgia and Grady EMC to assist with their rebuilding and restoration efforts. Director Roberts inquired as to how consumers are qualified for the emergency list. Bruce Bacon discussed this process and explained during major outages the larger main electric lines serving the most consumers must be repaired first. When a major catastrophic weather event is threatening the service area, inquiring emergency list consumers are advised to make other preparations for their safety as maintaining electric service cannot be guaranteed during these times.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

October 22, 2018

Bruce Bacon advised meetings are scheduled with several consumer groups as follows for the development of a Strategic Plan:

Strategic Planning Meetings

December 6 th , 2018	6 PM - 9 PM	Member Advisory SWOT Meeting
December 13 th , 2018	11:30 AM - 2 PM	Industrial/Commercial Customer SWOT Meeting
January 17 th , 2019	9 AM - 8 PM	Board & Staff Strategic Planning Meeting
January 24 th , 2019	9 AM - 3PM	Staff & Board Optional Strategic Planning Mtg. Part 2

Bruce Bacon reported on NRECA's Regional Meeting, ECSC's Board meeting, and hearings of both Santee Cooper and Central.

John Bloodworth reported on building renovations at Statewide and advised renovations for the Hoyt Williams Training Center was also included in the scope of work. John Bloodworth explained the additional dues assessment made to each cooperative and this had been previously approved by the ECSC Board. President Rabon and Director Hopkins expressed concern as to how the cost was assessed to the cooperatives.

Bruce Bacon reported Blythewood High School scholarships through Midlands Technical College have been provided in the past. After discussion the board consensus was to refer this to the Public Relations Committee to develop a plan to include other service area high schools and additional funding to the Operation Round Up Program with the funds available.

Bruce Bacon shared a customer email received in the Board's email account and discussed the customer's concern regarding his inability to obtain an easement for service to his property.

A list of delinquent accounts totaling \$3,807.81 for the month of September 2018 was presented for consideration for write off as uncollectible. Upon motion made by Robert Entzminger, seconded by Keith Lewis, 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 Tim Hopkins, seconded by Robert Entzminger, motion carried, the following resolution was adopted:

The estates of 13 deceased members have requested the Board of Directors give consideration to approving the retirement of \$6,073.21 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 \$6,073.21 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 RUS Construction Contract with Trans-Tel, Inc. for 2018-2019 for boring projects was presented and discussed. Upon motion made by John Bloodworth, seconded by Kenneth Miles, motion carried, the contract was approved and the President and Secretary authorized to execute the document on behalf of the cooperative.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

October 22, 2018

In conjunction with an earlier discussion during the board meeting regarding the acceptance of additional power allocation from the Southeastern Power Administration (SEPA), the following resolution was adopted upon motion made by Tim Hopkins, seconded by John Bloodworth, motion carried:

RESOLUTION OF THE BOARD OF TRUSTEES FAIRFIELD ELECTRIC COOPERATIVE, INC. APPROVING ACCEPTANCE OF ADDITIONAL POWER ALLOCATION FROM SOUTHEASTERN POWER ADMINISTRATION

WHEREAS, Fairfield Electric Cooperative, Inc. (the “Cooperative”) currently receives approximately 6,100 kW of capacity and energy from Southeastern Power Administration (“SEPA”) through Central Electric Power Cooperative, Inc.; and

WHEREAS, by letter dated September 13, 2018, SEPA has offered the Cooperative an additional power allocation of 714 kW; and

WHEREAS, the Cooperative believes that incremental SEPA capacity provides the Cooperative a reasonable market hedge against future power costs and desires to accept SEPA’s offer for additional capacity.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF FAIRFIELD ELECTRIC COOPERATIVE, INC. AS FOLLOWS:

The President and Interim Chief Executive Officer are hereby authorized and empowered to take all action necessary to facilitate accepting an additional power allocation of at least 714 kW from Southeastern Power Administration.

With the retirement of the V.P. of Finance, the need to update authorized electronic entry into the USDA’s Rural Utility Service Intake System was discussed. Upon motion made by John Bloodworth, seconded by Kenneth Miles, motion carried, the following resolution was adopted:

RESOLUTIONS

1. **RESOLVED** that Bruce G. Bacon, the Interim Chief Executive Officer, of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture, any and all data required by RD Apply Intake System;

2. **RESOLVED** that Douglas M. Payne, the Vice President of Member Relations of the Corporation, be the Administrator on behalf of the Corporation, who shall give access to the Corporation’s data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with the RD Apply Intake System; and

3. **RESOLVED** that both shall comply with the Instructions for RD Apply Intake System in regard to use of the government’s data collection system.

Certifier: Bruce G. Bacon
eAuthentication ID

Administrator: Douglas M. Payne
eAuthentication ID

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

October 22, 2018

Proposed Service Policy Bulletin 116, Privacy Policy – FEC Mobile Software Applications was presented and discussed. This privacy policy governs use of the software application “FEC Mobile App Account.” It is disclosed to users each time they access FEC’s mobile app. Upon motion made by John Bloodworth, seconded by Keith Lewis, motion carried, the following policy was adopted effective immediately:

Service Policy Bulletin 116 **PRIVACY POLICY - SOFTWARE APPLICATION**

This privacy policy governs your use of the software application “FEC Mobile App Account” ("Application") for mobile devices that was created by Fairfield Electric Cooperative, Inc.

What information does the Application obtain and how is it used?

User Provided Information

The Application obtains the information you provide when you download and register the Application. Registration with us is optional. However, please keep in mind that you may not be able to use some of the features offered by the Application unless you register with us.

When you register with us and use the Application, you generally provide (a) your name, email address, age, user name, password and other registration information; (b) transaction-related information, such as when you make payments or download or use applications from us; (c) information you provide us when you contact us for help; (d) credit card, e-check information for payments and use of the Application, and; (e) information you enter into our system when using the Application, such as contact information.

Automatically Collected Information

In addition, the Application may collect certain information automatically, including, but not limited to, the type of mobile device you use, your mobile devices unique device ID, the IP address of your mobile device, your mobile operating system, the type of mobile Internet browsers you use, and information about the way you use the Application.

Does the Application collect precise real time location information of the device?

When you visit the mobile application, we may use GPS technology (or other similar technology) to determine your current location in order to determine the city you are located within and display a location map with relevant advertisements. We will not share your current location with other users or partners.

If you do not want us to use your location for the purposes set forth above, you should turn off the location services for the mobile application located in your account settings or in your mobile phone settings and/or within the mobile application.

What are my opt-out rights?

You can stop all collection of information by the Application easily by uninstalling the Application. You may use the standard uninstall processes as may be available as part of your mobile device or via the mobile application marketplace or network.

Data Retention Policy - Managing Your Information

We will retain User Provided data for as long as you use the Application and for a reasonable time thereafter. We will retain Automatically Collected information for up to 24 months and thereafter may store it in aggregate. If you'd like us to delete User Provided Data that you have provided via the Application, please contact us at apps@fairfield.coop and we will respond in a reasonable time. Please note that some or all of the User Provided Data may be required in order for the Application to function properly.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

October 22, 2018

PRIVACY POLICY - SOFTWARE APPLICATION (Continued)

Children

We do not use the Application to knowingly solicit data from or market to children under the age of 13. If a parent or guardian becomes aware that his or her child has provided us with information without their consent, he or she should contact us at apps@fairfield.coop. We will delete such information from our files within a reasonable time.

Security

We are concerned about safeguarding the confidentiality of your information. We provide physical, electronic, and procedural safeguards to protect information we process and maintain. For example, we limit access to this information to authorized employees and contractors who need to know that information in order to operate, develop or improve our Application. Please be aware that, although we endeavor provide reasonable security for information we process and maintain, no security system can prevent all potential security breaches.

Changes

This Privacy Policy may be updated from time to time for any reason. We will notify you of any changes to our Privacy Policy by posting the new Privacy Policy here or informing you via email or text message. You are advised to consult this Privacy Policy regularly for any changes, as continued use is deemed approval of all changes.

Your Consent

By using the Application, you are consenting to our processing of your information as set forth in this Privacy Policy now and as amended by us. "Processing," means using cookies on a computer/hand held device or using or touching information in any way, including, but not limited to, collecting, storing, deleting, using, combining and disclosing information, all of which activities will take place in the United States. If you reside outside the United States your information will be transferred, processed and stored there under United States privacy standards.

Contact us

If you have any questions regarding privacy while using the Application, or have questions about our practices, please contact us via email at apps@fairfield.coop.

ADOPTED: OCTOBER 22, 2018

EFFECTIVE: OCTOBER 22, 2018

A discussion was held addressing concerns raised by members of the General Assembly and that information was shared. Attorney DuBose discussed the transparency policy already adopted by the board and procedures in place for board elections, the Nominating Committee, and candidates by petition. After consideration, no action was taken upon the recommendation of President Rabon to continue to monitor these topics until the General Assembly provides guidance or takes action on these matters.

Bruce Bacon recommended having a mechanism for members who may request to attend a board meeting to address board concerns and discussed the need for a policy with a member request form. This was deferred until the next board meeting when a proposed policy could be presented for consideration.

REGULAR MEETING OF MEMBERS OF THE BOARD CONTINUED

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The FinTrust proposal for a Retirement Plan Analysis to include comparable bids was reviewed and discussed. It was noted the FinTrust group does not sell nor compete in the employee benefit markets. Upon motion made by Tim Hopkins, seconded by Keith Lewis, motion carried, the proposal was approved.

President Rabon shared an article from The New York Times regarding compensation and employee benefit packages average costs.

The Trustee Association will meet in December in conjunction with the ECSC Winter Conference.

There was no old business to come before the board.

There was no new business to come before the board.

Upon motion made by John Bloodworth, seconded by John Roberts, motion carried, the meeting was adjourned.

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Mitchell D. Rabon, President