



2019 ECSC Disclosure
As required by S.C. Code Section 33-49-160

May 15, 2020

Revised and updated July 27, 2020

The Electric Cooperatives of South Carolina, Inc. (ECSC) is an association created by its members to save costs to its ratepayers by aggregating functions such as training, disaster recovery, legal assistance, communications services and government relations and providing those services to all of our members on yearly basis based upon their membership. ECSC's board is made up of one trustee and the CEO of each of its member cooperatives. Accordingly, each member cooperative has two board members. In 2019, the ECSC board was comprised of 44 people, 23 of whom were member trustees and 21 of whom were member CEOs.

ECSC is making this disclosure in accordance with S.C. Code Section 33-49-160 et seq. as amended by Act 56 of 2019. For a complete picture of this disclosure, please read this statement and the accompanying spreadsheet in full.

Section 33-49-160(B) requires the disclosure of "all compensation or benefits by category paid to or provided for board members during the previous calendar year." Those categories include, but are not limited to:

- (1) *Daily per diem amount;*
- (2) *Total per diem compensation paid for attendance at regular meetings of the board of trustees;*
- (3) *Total per diem compensation for attendance at special meetings of the board, including board of trustees committee meetings;*
- (4) *Total per diem compensation for attendance at meetings of cooperative service organizations;*
- (5) *Total per diem compensation for trustee training and certification;*
- (6) *Total expenses paid or reimbursed, including mileage, subsistence, entertainment, or travel expenses paid in conjunction with subsection (B)(2) through (5)*
- (7) *The total value of and a description of any other fringe benefits provided; and*
- (8) *The total value of and a description of any goods or services required to be disclosed by subsection (D)(3)(c).*

Further, 33-49-160(D)(3) provides, in part, that:

A member of the association's board of trustees or an officer of the association is not prohibited from this section from accepting goods or services such as lodging, transportation, entertainment, food, meals, beverages or any other thing of value from the association provided that:



(a) The value of the good or service is reasonable and the purpose relates to his duties as a trustee or an officer;

It is worth noting that the bylaws of ECSC actually prohibit the payment of compensation and the reimbursement of expenses of ECSC board members. Accordingly, no board member received any compensation that would be necessary to disclose under 33-49-160(B)(1)-(5).

There is one board member, Gary Stooksbury, who receives an insurance benefit through ECSC's plan that falls under 33-49-160(B)(7) (See Item 12). Mr. Stooksbury qualified under a previous dental insurance plan and ECSC is reimbursed for the full premium by Mr. Stooksbury, resulting in a zero annual balance for ECSC.

In satisfaction of 33-49-160(B)(8), ECSC is not aware of any goods or services that would be required to be disclosed pursuant to 33-49-(D)(3)(c).

Finally, as ECSC sought to comply fully with the requirements of 33-49-160(B)(6), it was apparent that a strict reading of the language of that section would require no further disclosure. ECSC does not provide compensation or benefits under the traditional interpretations of those terms. It also does not reimburse board members for expenses they incur in conjunction with its meetings. It does, however, provide things of value for board members (and others) at its meetings such as food and, occasionally, assistance with transportation. In an attempt to be fully transparent and comply fully with the spirit of Act 56, ECSC is disclosing the things of value that it makes available for its board members and other meeting attendees.

Based on the nature of these things of value (specifically that they are primarily consumables), ECSC has taken an approach similar to that of the ethics disclosures of public officials (detailed below) to provide a full picture of the potential benefits available to board members. While records do not exist (and are not practical) for who availed themselves of a part of a meal or of some refreshments, our hope is to give a complete picture of what is available to our board members as a result of their service by reference to the price of the things of value they were eligible to receive.

Total amount spent by ECSC on things of value conferred to board members in 2019.

In 2019, ECSC hosted, facilitated or supported 33 meeting days. On some of those days, multiple meetings occurred. The sizes of those meetings ranged in number of attendees from single digits all the way up to 600. The vast majority comprised at least 35 people.

While members of our board participated in all of those meetings, not **all** members of our board participated in **all** meetings based on the type of meeting and whether the board member was eligible to attend. Accordingly, in order to give a complete and accurate picture of what ECSC spent on its board members we have apportioned costs on a per participant basis and then assumed participation by all eligible board members. Based upon this method, the total amount spent by ECSC on its 44 board members across 33 meeting days in 2019 was \$58,848.27.

This number does not include an additional \$3,985.00 of pass-through costs in which ECSC was reimbursed for the amounts of two retirement gifts and one dental benefit (gifts detailed below, dental benefit detailed above).

In an effort to give more context and detail to the expenditures, they are explained further below.

Total possible price of things of value conferred to board members for meeting participation.

It should be noted at the outset that records are not available for participation in all of these events. Additionally, even if a board member attended an event, we do not know if that board member took advantage of the refreshments or ate the meal provided.

Accordingly, we have adopted a methodology of reporting a maximum amount of value conferred approach based upon the board member's eligibility to receive a thing of value in conjunction with a meeting or event.

Based upon this method of reporting, if a trustee board member were to fully participate in all meetings and take advantage of all food or transportation available, the maximum possible theoretical benefit conferred upon him or her by ECSC would be \$1,035.31.

If a CEO board member were to fully participate in all meetings and take advantage of all food or transportation available, the maximum possible theoretical benefit conferred upon him or her by ECSC would be \$1,802.47.

Things of Value Paid for by ECSC

In an effort to streamline this document, we have divided our list of Board Members into 3 subdivisions. Except where specific exceptions apply, each individual category will refer back to these lists to show who was eligible for the maximum benefit listed.

CEO Board Members

Charlie Allen, Black River Electric Cooperative
Rob Ardis, Santee Electric Cooperative
Keith Avery, Newberry Electric Cooperative
Bruce Bacon, Fairfield Electric Cooperative
Paul Basha, York Electric Cooperative
Brian Broughton, Lynches River Electric Cooperative
Dwayne Cartwright, Berkeley Electric Cooperative
Berl Davis, Palmetto Electric Cooperative
Mike Ellis, Little River Electric Cooperative
David Felkel, Edisto Electric Cooperative
Mike Fuller, Pee Dee Electric Cooperative
Larry Hinz, Coastal Electric Cooperative
Rob Hochstetler, Central Electric Cooperative
Pat Howle (retired), Horry Electric Cooperative
Jim Lovinggood, New Horizon Electric Cooperative

Chad Lowder, Tri-County Electric Cooperative
Terry Mallard, Broad River Electric Cooperative
Don McCord, CEEUS
Bob Paulling, Mid-Carolina Electric Cooperative
Danny Shelley (partial year), Horry Electric Cooperative
Gary Stooksbury, Aiken, Electric Cooperative
David Wasson, Laurens Electric Cooperative

Trustee Board Members

John A. Bloodworth (partial), Fairfield Electric Cooperative
Ordie Brown, Edisto Electric Cooperative
Don Coker, Santee Electric Cooperative
Jack Cornwell, York Electric Cooperative
Johnnie Dickert, Newberry Electric Cooperative
Jimmy Lee Dodgens, Blue Ridge Electric Cooperative
Norris Fowler, Broad River Electric Cooperative
Preston Gainey, Pee Dee Electric Cooperative
George Gibson (partial), Black River Electric Cooperative
Theresa Hicks, Lynches River Electric Cooperative
Donette Kirkland, Mid-Carolina Electric Cooperative
Dana Moseley, Aiken Electric Cooperative
Robert Parker, New Horizon Electric Cooperative
LaVern Polk, Coastal Electric Cooperative
Mitch Powers, Laurens Electric Cooperative
Mitch Rabon, Fairfield Electric Cooperative (partial term)
Doug Reeves, Central Electric Cooperative
William Robinson, Tri-County Electric Cooperative
Buster Rogers, CEEUS
Willis Sanders, Berkeley Electric Cooperative
Mary Sheridan (partial), Black River Electric Cooperative
Mike Shirley, Little River Electric Cooperative
Kenneth Southerlin, Blue Ridge Electric Cooperative
Eunice Spilliards, Palmetto Electric Cooperative
Freddy Thompkins, Horry Electric Cooperative

Executive Committee Members

Charlie Allen, Black River Electric Cooperative
Rob Ardis, Santee Electric Cooperative
Keith Avery, Newberry Electric Cooperative
Berl Davis, Palmetto Electric Cooperative
Mike Ellis, Little River Electric Cooperative
Doug Reeves, Edisto Electric Cooperative
Theresa Hicks, Lynches River Electric Cooperative
Chad Lowder, Tri-County Electric Cooperative
Willis Sanders, Berkeley Electric Cooperative
David Wasson, Laurens Electric Cooperative

Things of Value related to onsite ECSC board meetings.

As is customary for large business meetings, ECSC provides light refreshments in conjunction with most of our meetings (coffee, soda, Danishes/snacks). In addition, ECSC provides a buffet lunch for board members, staff and guests of multiple cooperative service organizations that also use our facility for meetings in conjunction with the ECSC Board's four meetings each year at its office in Cayce. Lunch is optional, and some ECSC Board members choose to leave instead of eating. We do not have a record of who has eaten and who has not, but the average per-person cost of food/refreshments for each meeting is \$34.37. The cumulative average food/refreshment expense in conjunction with ECSC Board meetings would be \$137.49 per person for the year. All Board Members had an opportunity to receive this benefit.

Things of Value related to onsite ECSC Executive Committee meetings.

ECSC also hosts a meeting of its Executive Committee every other month in which food/refreshments are typically provided. We do not have a record of who has eaten and who has not, but the average per-person cost of food/refreshments for each Executive Committee meeting in 2019 was \$14.78. The cumulative average food/refreshment expense in conjunction with Executive Committee meetings would be \$73.88 per person for the year. The Executive Committee Members (listed above) had an opportunity to receive this benefit.

Things of Value related to onsite ECSC special purpose meetings.

ECSC also hosts meetings as needed to deal with special circumstances that arise from time to time. In 2019, there were two working group meetings that were necessary based upon proposed legislation related to cooperative governance reform. We do not have a record of who has eaten and who has not, but the average per-person cost of food/refreshments for each of the special meetings in 2019 was \$26.76. The cumulative average food/refreshment expense in conjunction with special purpose meetings would be \$53.52 per person for the year. The CEO Board Members plus Jack Cornwell of York, Johnnie Dickert of Newberry, Norris Fowler of Broad River, LaVern Polk of Coastal, Doug Reeves of Central, Mary Sheridan of Black River and Mike Shirley of Little River had an opportunity to receive this benefit.

Things of Value related to offsite ECSC hosted meetings.

ECSC hosts two large, multi-day meetings per year where all of the trustees of each electric cooperative and many of its senior leadership are invited to attend. Most of the expenses of attendance (food, lodging, travel, etc.) are paid by the cooperatives who attend, but there are four notable exceptions to that rule: First, a buffet breakfast is provided each day for meeting participants. Second, lunch is provided on one of the meeting days. Third, a welcome reception is provided on one of the days. Fourth, light refreshments are provided in conjunction with each of the meeting sessions (including break-out sessions).

Like board meetings, we do not have a record of who has eaten and who has not, but the average per person cost of food for each day of the meetings in 2019 was \$113.04. The cumulative average food/refreshment expense in conjunction with ECSC hosted meetings would be \$452.14 per person for the year. All Board Members had an opportunity to receive this benefit.

Occasionally, meeting locations or weather can produce a unique circumstance that warrants an additional service that might fall within the realm of an expense or benefit that might be captured by the disclosure requirements of the statute. In 2019, there was a unique circumstance where the distance between the lodging accommodations and the meeting location combined with bad weather made the provision of a shuttle between the two locations necessary. We do not have a record of who used the shuttle, but the average cost of the shuttle service for the entire event would be \$8.68 per person for the year. All Board Members had an opportunity to receive this benefit.

Things of Value related to ECSC facilitated meetings.

There are multiple groups of cooperative employees and trustees that meet on a regular basis to train, trade information or coordinate efforts. ECSC staff frequently facilitates and provides staffing services for those meetings. For certain meetings, a part of the facilitation includes providing food/refreshments for those meetings. Many of these meetings do not involve board members of ECSC as they are largely made up of cooperative employees. One group that meets frequently, however, the managers of the cooperatives, does involve ECSC board members. ECSC provided refreshments and a total of 8 meals for 6 meetings of cooperative managers. We do not have a record of who has eaten and who has not, but the average per person cost of food per meeting is \$91.72. The cumulative average food/refreshment expense in conjunction with managers meetings would be \$550.32 per person for the year. The CEO Board Members (listed above) had an opportunity to receive this benefit.

Another group whose meetings are facilitated by ECSC is the trustees of the electric cooperatives. This group meets once per year and its executive committee also meets once per year. The trustees meet for two days and the amounts following cover two days of refreshments and two meals. We do not have a record of who has eaten and who has not, but the average per person cost of food for the 2019 trustee meeting was \$44.44 for the year. The Trustee Board Members (listed above) had an opportunity to receive this benefit.

The average per person cost of food for the 2019 trustee group executive committee meeting was \$20.03 for the year. Jimmy Lee Dodgens of Blue Ridge and George Gibson of Black River had an opportunity to receive this benefit.

Things of Value Related to offsite ECSC facilitated special purpose events.

Early each year, CEOs from all of the electric cooperatives in South Carolina travel to Washington, DC to meet with staff and members from South Carolina's Congressional delegation to explain the needs of cooperative members and outline legislative priorities for the upcoming year. Typically, ECSC provides for refreshments for one meeting, a breakfast with senior Congressional staff and a reception with Congressional offices. ECSC also provides for transportation between the different meetings and to and from the airport for each of the participants. In 2019, the per person cost of transportation was \$163.73. The per person cost of Food/Refreshments was \$118.28. The total of expenses covered for the 2019 Managers DC event was \$282.01 per CEO for the year. The CEO Board Members (listed above) had an opportunity to receive this benefit.

Later in the year, the organization that represents cooperatives from across the country, the National Rural Electric Cooperative Association, hosts a rally in Washington, DC. That event is designed to facilitate cooperative trustees and business leadership meeting with their members of Congress to discuss the issues that are of national importance to cooperative members across the United States. ECSC covers food/refreshment costs for all South Carolina attendees for two briefings and one reception in which a mix of trustees, employees, managers, congressional members and staff all attend. The average per person cost for this event was \$186.84 for the year. All Board Members had an opportunity to receive this benefit.

ECSC also facilitates a legislative reception each year for members of the General Assembly, other government officials, cooperative trustees and senior cooperative leadership. The 2019 reception cost \$58.27 per person for the year. All Board Members had an opportunity to receive this benefit.

Special Gifts or Recognition.

ECSC provides special gifts for board members who serve on the executive committee and for speakers who give presentations at the Summer or Winter conferences. In addition, ECSC serves as a fiscal agent for gifts for a retiring CEO (and spouse) from the managers. Because we know with certainty who received special gifts or recognition, the value of those gifts and a description of the gift itself is listed below.

| | | |
|--------------------------------|------------|----------------------------------|
| Charlie Allen, Black River | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Rob Ardis, Santee | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Keith Avery, Newberry | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Bruce Bacon, Fairfield | \$19.10 | (Mousepad) |
| Brian Broughton, Lynches River | \$19.10 | (Mousepad) |
| Dwayne Cartwright, Berkeley | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Berl Davis, Palmetto | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Mike Ellis, Little River | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Mike Fuller, Pee Dee | \$19.10 | (Mousepad) |
| Theresa Hicks, Lynches River | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Larry Hinz, Coastal | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Pat Howle, Horry | \$1,250.00 | (*Reimbursed – Retirement gift*) |
| Chad Lowder, Tri-County | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Don McCord, CEEUS | \$45.33 | (Coffee Mug/Pecans) |
| | \$1,250.00 | (*Reimbursed – Retirement gift*) |
| Bob Paulling, Mid-Carolina | \$19.10 | (Mousepad) |
| Doug Reeves, Central | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Willis Sanders, Berkeley | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| Gary Stooksbury, Aiken | \$64.43 | (Coffee Mug/Pecans/Mousepad) |
| David Wasson, Laurens | \$64.43 | (Coffee Mug/Pecans/Mousepad) |