

REGULAR MEETING OF MEMBERS OF THE BOARD

March 28, 2022

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, March 28, 2022, 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
John E. Roberts, III	Donald Keith Lewis	Robert K. Miles
Michael Good		

Attorney Ken DuBose was present.

President Mitch Rabon called the meeting to order. Robert Entzminger gave the invocation.

Bruce Bacon, Chief Executive Officer, introduced staff members to the Board who have assumed new positions with the upcoming retirement of Vicky Melvin. Erik Marsha is now Controller with Jessica Glover serving as Manager of Billing / CIS.

Mitch Rabon addressed the Board and asked that the Agenda be amended for the purpose of discussing new business. The discussion would be to consider the possibility of retaining special legal counsel to assist the Board with legal issues related to the Annual Meeting on May 20, 2022 and the election process. Also to provide the Board of Directors with assistance and recommendations for Bylaw changes.

Timothy Hopkins recommended that the discussion to retain special legal counsel for recommendations on modifications to the Bylaws, and other current legal issues associated with the election process for the Annual Meeting, should take place at the beginning of the meeting as New Business. Upon motion made by Peggy Swearingen, seconded by Keith Lewis, motion carried, the Agenda was amended to move New Business to the beginning of the meeting.

Upon motion made by Michael Good, seconded by Timothy Hopkins, motion carried, the board moved into executive session. At the conclusion of executive session, a motion was made by Michael Good, seconded by Robert Entzminger, motion carried, the Board came out of executive session and into the regular Board meeting and the following was read into the Minutes:

Pursuant to the discussion in executive session, I, Michael Good, move to retain the services of Jay Bender as special counsel to assist the Board of Trustees in the conduct of the election of trustees at the member meeting on May 20, 2022, to make recommendations on revisions to the by-laws of the cooperative to bring them into conformity with the requirements of Act No. 56 of the 2019-2020 General Assembly, and to make recommendations to clarify the language of the by-laws. As substantive elements of this motion I also move that a contract be entered into between the cooperative and Mr. Bender to provide that his services will be at the

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direction of Chairman of the Board, that he will be compensated on an hourly fee basis at the rate of \$450.00 per hour, that his out-of-pocket expenses will be reimbursed, that he will provide an itemized statement monthly reflecting activity undertaken, time spent, and charges incurred, that these statements will be payable by the cooperative when received, and that communications with the Chairman of the Board and the Board will be confidential and subject to the attorney-client privilege which may be waived only by an affirmative vote of a majority of the Board. Ken DuBose requested that Mr. Jay Bender review the process of the Credentials and Election Committee and offer his comments before tomorrow's meeting of that Committee. This motion was seconded by Robert Entzminger and unanimously approved by the board.

Upon motion made by Timothy L. Hopkins, seconded by John E. Roberts, III, motion carried, the minutes of the meeting held on February 28, 2022, were approved as presented.

Upon motion made by Michael Good, seconded by Cynthia Able, motion carried, 256 new consumers for the month of February were accepted as members of Fairfield Electric Cooperative, Inc.

A list of delinquent accounts totaling \$4,501.16 for the month of February was presented for consideration for write off as uncollectible. Upon motion made by Derial L. Ogburn, seconded by Robert Entzminger, 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 Timothy L. Hopkins, seconded by Derial L. Ogburn, motion carried, the following resolution was adopted:

The estates of 33 deceased members have requested the Board of Directors give consideration to approving the retirement of \$17,347.48 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 \$17,347.48 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, reviewed and discussed the monthly financial reports and he noted that due to the expenses of the storms earlier in the year, the margins for this year are down somewhat thus far. Bruce provided updates on Operation Round Up, the security system sales/service, and the upcoming Member Advisory Meeting on April 21st.

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Bruce Bacon reported on the scheduled conversion to BoardEffects for the Board's tablet applications and reviewed the timeline to implement upgrading the software application for each tablet. Bruce reported that the Ipads should be turned in after the April board meeting for updating then have training for the new software after Ipads have been updated.

Minutes from the Nominating Committee meeting from March 14 were presented for the board's information.

In accordance with Bylaws Section 3.06 Credentials and Election Committee the following members were appointed for 2022 upon motion made by Peggy Swearingen, seconded by Michael Good, motion carried: Thomas Keith Bailey, Eukie (Al) Bozard, Samuel Henry, and George Creighton Taylor with John Lewis being removed from the committee. In accordance with state law, Mitch Rabon, Keith Lewis, Cynthia Able, and Timothy Hopkins recused themselves from the discussion and vote as to the appointment of the additional members to the Credentials and Election Committee and all exited the room prior to discussion and vote.

Peggy Swearingen presented a proposal from Debby Stidham with the Fairfield County Voter Registration Office to manage and provide personnel assistance to Fairfield Electric during the election process, registration, and voting during the Annual Meeting. She had provided an Election Administration Agreement that outlined the fees and cost. Peggy Swearingen stated that the Board of Trustees is aware that cooperative employees have been criticized for meddling in the election process during the last two elections and the current election cycle. In past elections, Ms. Swearingen stated that she has witnessed several examples of unfair practices and after the protest with the election last year she stated that the voting should be handled by unbiased persons that are not associated with cooperative employees. Mr. Chairman, I would like to make the motion that we retain the service of Ms. Debbie Stidham with the Fairfield County Voter Registration Office in Winnsboro as they have offered to do so in the agreement. Upon motion made by Peggy Swearingen, seconded by Keith Lewis, motion passed unanimously.

President Rabon reported staff recommends giving away a 2012 Chevrolet Silverado truck as the "Grand Prize" at the annual meeting. Upon motion made by Timothy L. Hopkins, seconded by Donald Keith Lewis, motion carried unanimously. The grand prize was approved as recommended.

Upon motion made by John E. Roberts, III, seconded by Donald Keith Lewis, motion carried, Cynthia Able was authorized to attend NRECA's On-Line Virtual Course 905.1 Accessing Governance on March 23 & 24 to complete her Leadership Certification.

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NRECA's upcoming Legislative Conference scheduled for May 1 – 4 in Washington, DC was discussed. Thereafter, upon motion made by Donald Keith Lewis, seconded by Timothy L. Hopkins, motion carried, the following were authorized to attend:

Mitchell D. Rabon	Robert Entzminger	Peggy D. Swearingen
Timothy L. Hopkins	Cynthia Able	Derial L. Ogburn

The Electric Cooperatives of SC Summer Conference scheduled for June 5 – 8 at Wild Dunes was discussed. Thereafter, upon motion made by Donald Keith Lewis, seconded by Timothy L. Hopkins, motion carried, the following were authorized to attend:

Robert Entzminger	Peggy D. Swearingen	Derial L. Ogburn
Timothy L. Hopkins	Cynthia Able	Robert K. Miles
John E. Roberts, III	Donald Keith Lewis	

Cynthia Able reported there was nothing to report by the Benefit Committee. However, Ms. Able asked for Board consideration of a proposal to discontinue healthcare benefits, life, vision, and dental of all new Trustees. In an effort to provide an orderly and fair transition away from providing healthcare benefits to Trustees, a motion was made to discontinue the benefit program, with the provision that existing Trustees that are currently participating in the benefit program to be grandfathered in participation, but any new Trustee would not be offered healthcare benefits, life, dental, and vision in the future. Accident and life insurance for board members performing authorized travel or duties of the board will be continued. Trustees Mitch Rabon, Robert K. Miles, Michael Good, and Robert Entzminger abstained from the voting and discussion. Upon motion made by Cynthia Able, seconded by Derial L. Ogburn, motion carried, the healthcare benefits, life, vision, and dental for new Trustees will be discontinued.

Keith Lewis reported on the meeting with Great Southern Homes to refine their proposal for the new Winnsboro Office building. Keith reported that the only bid received was from Great Southern Homes. After verbal consultation with 3 other companies, they all indicated their bids would be higher than Great Southern Homes and did not want to officially quote. He reported that we do not want to be locked in as to time line due to supply and materials. Estimated construction time will be about 14 months. Mr. Lewis suggested that the Board make a decision and accept the proposal. Mitch suggested that the drawings be modified with detailed specifications that would save money. Upon motion by Keith Lewis, seconded by Peggy Swearingen, motion carried, the decision to accept the proposal to include detailed specifications was approved. It was also discussed to obtain a price for Performance Bonds and payment Bonds and a maximum price for the office building.

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Mitch Rabon and Bruce Bacon provided updates on Central Electric and their 10-Year Evolution Plan. Bruce reported that Central is still considering other options for future generation and/or purchase power agreements allowed under the 2013 Coordination Agreements. Mr. Rabon suggested that Bruce and himself should abstain from any official agreement with Central Electric until any new proposals are analyzed by our independent energy consultant and they have advised Fairfield Electric as to the cost and risk of any new supply of energy. He stated that the board has expressed concern as to lack of data and information to make an informed decision to opt out of Santee Cooper. He suggested that the board abstain from making a decision to opt out due to lack of information of any new Central Electric opting out of Santee Cooper's proposal for a new generation or Central Electric proceeding for new generation.

Derial Ogburn reported that there is no new information to provide as to Electric Cooperatives of SC.

Robert Entzminger provided an update on CEEUS. Robert reported that he needs a letter from the attorney regarding transparency.

John Roberts reported on the upcoming Trustee Association Spring Conference and meeting materials were distributed to those attending.

Old Business: John Roberts suggested that Trustees need to review their vouchers before turning them in. John suggested that members of each committee be kept to three members per committee if feasible. John also suggested that classes be taken virtual if possible. If not possible virtual, then take a class when available in close proximity to our area. There is not a time line on these classes. John realizes that there are still costs involved, but these suggestions will save our members money. John suggested that the board consider nominating people with diverse backgrounds and varying income levels to the advisory committee.

New Business: Peggy Swearingen reported an issue with the hot line. Peggy reported that the call from the hot line was forwarded to an FEC employee to handle instead of the Chairman. There have been two complaints reported in the last two weeks. The FEC employee has inserted himself in these complaints for handling. These complaints were not reported to the board. Based on the policy, the complaints need to go to Robert Entzminger and the Chairman.

New Business: Michael Good suggested that the per diem for new members be set at \$100.00 to start and work your way up the chain. He suggested that the per diems be set at various rates for attendance of board meetings, conferences, and other activities. Mr. Good also suggested that the Advisory Committee meet on a quarterly basis instead of once a year or maybe two or three times a year.

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Upon motion made by Michael Good, seconded by Keith Lewis, motion carried, the board moved into executive session. At the conclusion of executive session, a motion was made by Michael Good, seconded by Keith Lewis, motion carried, the Board came out of executive session and into the regular Board meeting.

There being no further business to come before the Board, upon motion made by John Roberts, seconded by Cynthia Able, and was unanimously approved, the meeting was adjourned.

Signed: _____
Robert K. Miles, Secretary
APPROVED

ATTEST: _____
Mitchell D. Rabon, President