

REGULAR MEETING OF MEMBERS OF THE BOARD

January 23, 2023

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, January 23, 2023, 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	Bruce E. Honeycutt	

Attorney John DuBose was also present.

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

Upon motion made by Derial L. Ogburn, seconded by Keith Lewis, motion carried, the minutes of the meeting held on December 19, 2022, were approved as presented.

Upon motion made by Bruce Honeycutt, seconded by Robert Entzminger, motion carried, 228 new consumers for the month of December were accepted as members of Fairfield Electric Cooperative, Inc.

A list of delinquent accounts totaling \$1,793.16 for the month of December was presented for consideration for write off as uncollectible. Upon motion made by John E. Roberts, III, seconded by Timothy L. Hopkins, motion carried, authorization was granted to write these off against the cooperative's reserve for uncollectible accounts.

Bruce Bacon, Chief Executive Officer, reviewed and discussed the monthly financial reports and the quarterly controllable expenses report with the board. Mr. Bacon reported that the cost of purchased power has risen due to the cold weather. Bruce reported that the month of December was good. He reported that the cost of long-term debt was up and was anticipating that increases would be offset somewhat by the earnings of our investments.

Bruce Bacon provided updates on Operation Round Up, security system activity, the upcoming Legislative Appreciation Reception, industrial prospect activity, and the consultant search for a broadband feasibility study. Bruce Bacon reported that the Operation Round Up will take place on February 20, 2023. He also reported that the Legislative Appreciation Reception is scheduled for February 7, 2023 from 5:00 to 7:00 at the Convention Center in Columbia. Several board members will attend this event. Bruce reported that he has received three proposals for consultants for a broadband feasibility study.

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The general retirement of capital credits was presented and the following resolution was adopted upon motion made by Donald Keith Lewis, seconded by Michael Good, motion carried:

RESOLUTION

WHEREAS, The cooperative believes in the principle of refunding capital credits;

WHEREAS, The financial condition of the cooperative will not be impaired by refunding capital credits as outlined below:

WHEREAS, The long-established fifteen year rotation for the refund of general retirement of capital credits for 2007 and additional retirements for more recent years are as follows:

2007	100%	\$1,850,444.04
2021	25%	238,463.64 Discounted
Total		<u>\$2,088,907.68</u>
2022 Early Retirement Deceased Patrons		\$ 108,000.00 Estimate
Total Refund		<u>\$2,196,907.68</u>

NOW THEREFORE BE IT RESOLVED, The Cooperative is in compliance with RUS and CFC mortgage requirements in making these refunds. Upon motion made, seconded, and unanimously carried, the refunds of capital credits as shown above are approved.

The Trustee District Map was reviewed. Upon motion made by Robert Entzminger, seconded by Peggy Swearingen, motion carried, the Trustee District Map will remain unchanged, as there are no substantial inequitable factors regarding the residents or members of the geographic locations or nine single member districts.

The 2023 Annual Meeting was discussed. Upon motion made by Derial Ogburn, seconded by Robert Entzminger, motion carried, the annual meeting was scheduled for Friday, May 19, 2023. Early drive through registration and voting was approved and the business meeting will be live streamed at the Blythewood Cooperative office on May 19, 2023, at 6:00 p.m. This process will remain the same as last year. The Chief Executive Officer and pertinent bylaw committees are authorized to cause to be performed all acts necessary to accomplish the holding of the annual business meeting and early registration and voting by the membership.

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In accordance with state law, Peggy Swearingen, Derial Ogburn, Kenneth Miles, and Robert Entzminger recused themselves from the discussion and vote as to the appointment of the Nominating Committee and all exited the room. Upon motion made by Bruce Honeycutt, seconded by Michael Good, motion carried, in accordance with Section 4.06 of the By-Laws, Nominations of Trustees, the following members were appointed to the Nominating Committee for 2023 to nominate trustee candidates for Districts 4, 5, 6, and At Large for the 2023 annual meeting election.

2023 NOMINATING COMMITTEE

Brad Douglas
Henry Long
Al Bozard
Sheryll Ray

Creighton Taylor
William Ingram
Greg Smith
Carlton Payne

Jimmy Jackson
Lonnie Campbell
John Kubin

Pending the willingness of the nominees to serve and no conflicts of interest, this slate of nominees is approved. The Board of Trustees reserve the right to change the nomination for the District 6 representative at the next meeting in February if any nominee is unable or unwilling to serve.

After the vote for approval of the Nominating Committee the four board members that had recused themselves were called and re-entered the board room for the duration of the board meeting.

President Rabon presented proposed bylaw revisions as provided and recommended by Attorney Jay Bender. Mr. Rabon reported that the proposed bylaws are to be completed by the Annual Meeting in May. Mr. Rabon stated that before the next regular meeting in February, a discussion of the bylaws to carefully examine and review the revisions and modifications made by Mr. Bender should take place. Mr. Rabon suggested a special board meeting should be called.

A motion was made by Donald Keith Lewis, seconded by Michael Good and approved to have a Special Board meeting on February 6, 2023 at 10:00 AM to review the proposed revisions by Mr. Jay Bender and possibly finalize the Nomination Member selections.

Certification of Delegates to the Board of Trustees for Central Electric Power Cooperative for 2023 was presented for consideration. Upon motion made by Derial Ogburn, seconded by Robert Entzminger, motion carried, Bruce Bacon and Mitch Rabon were appointed delegates.

Trustees and voting delegates for NRECA for 2023 were presented for consideration. Upon motion made by Robert Entzminger, seconded by Keith Lewis, motion carried, Bruce Bacon

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and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

Trustees and voting delegates for NRTC for 2023 were presented for consideration. Upon motion made by Keith Lewis, seconded by Timothy L. Hopkins, motion carried, Robert Entzminger and Cynthia Able were appointed trustees with Cynthia Able being the voting delegate and Robert Entzminger being the alternate.

Trustees and voting delegates for CFC for 2023 were presented for consideration. Upon motion made by Robert Entzminger, seconded by Keith Lewis, motion carried, Bruce Bacon and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

NRECA’s Legislative Rally to be held April 16 – 18 in Washington was discussed. Upon motion made by Keith Lewis, seconded by Michael Good, motion carried, the following were authorized to attend:

Mitchell D. Rabon	Robert Entzminger	Peggy D. Swearingen
Bruce Bacon	Derial L. Ogburn	Cynthia Able

Keith Lewis provided updates on construction work that continues on the new Winnsboro Office building. Mr. Lewis reported that the flooring and electrical work has been installed and is finished. IT is to install computer systems. The inside of the building is almost done. The drive-thru drawer is not working like it is supposed to and will be corrected. The sidewalk is not yet finished due to the weather. The building landscaping is complete. Heating and air is running. Mr. Lewis reported that to make and install the sign on the front of the building will cost around \$10,235.00. It was suggested that FEC get another quote for the sign. A discussion of the sign will be re-visited at next meeting.

Derial Ogburn provided an update on The Electric Cooperatives of SC. Mr. Ogburn reported that the next meeting is set next month. There has been no change.

Robert Entzminger provided an update on CEEUS. There will be a meeting in February. Same report as last time. There has been no change.

John Roberts provided an update on the Trustee Association. Mr. Roberts reported that the Trustee meeting is set for May 1-3, 2023 in Charleston. There will also be a meeting in Cayce on January 27, 2023 which John Roberts will attend and report on any new developments.

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Old Business: None.

New Business: Cynthia Able requested donations for WIRE at the NRECA meeting.
Peggy Swearingen asked about information inserts along with the bill and the hot water heater program.

Upon motion made by Derial Ogburn, seconded by Timothy L. Hopkins, motion carried, the board moved into executive session. At the conclusion of executive session, a motion was made by Timothy L. Hopkins, seconded by Derial Ogburn, motion carried, the Board came out of executive session and returned to the regular board meeting.

After re-entering the regular board meeting, Timothy L. Hopkins presented the CEO's evaluation report that had been polled from the board and tabulated by Cynthia Able.

The CEO's report was very favorable and Timothy L. Hopkins highlighted some of Bruce Bacon's accomplishments as noted below.

1. Congratulations on a very good evaluation. I am sure that you will be pleased once you have a chance to read it.
2. Thank you for operating with transparency of Coop operations. We all felt informed of events and happenings.
3. Thank you for your leadership on the construction of the new Fairfield office building in Winnsboro.
4. Thank you for increasing the Coop's equity ratio to 38.87%. We have come a long way in this effort over the last few years due to your leadership.
5. Thank you for your leadership on reconstructing our employee benefits program that has resulted in savings for the Coop without minimizing the benefits to the employees.
6. Thank you for your overall commitment to Fairfield Electric Cooperative. The past year has been a challenge for us as a cooperative, but you have stood tall and always acted in the best interest of Fairfield Electric.
7. Thank you for always doing your best. It is evident to all of us and warrants acknowledgments.
8. As a result of your performance last year, this Board unanimously approved and a motion was made by Bruce Honeycutt, seconded by Derial Ogburn, for a 15% base salary increase and a \$10,000.00 bonus for Bruce Bacon.

Mitch Rabon congratulated and presented certificates of completion for NRECA training to the following board members. Peggy Swearingen and Derial Ogburn received certificates for Level 2 training. Michael Good received a certificate for completion for Level 1 training.

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There being no further business to come before the Board, a motion was made by Michael Good, seconded by Robert Entzminger, carried and approved, the meeting was adjourned.

Signed: _____

Robert K. Miles, Secretary

APPROVED

ATTEST: _____

Mitchell D. Rabon, President