

REGULAR MEETING OF MEMBERS OF THE BOARD

July 22, 2024

A regular meeting of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, July 22, 2024, at 12:30 p.m. at the cooperative headquarters in Blythewood, South Carolina. The following board members were present:

Cynthia Able	Robert Entzminger	Michael Good
Bruce E. Honeycutt	Timothy L. Hopkins	Donald Keith Lewis
Robert K. Miles	Derial L. Ogburn	Mitchell D. Rabon
Ronald D. Friday	Peggy D. Swearingen	

Attorney John K. DuBose, III was present.

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

President Rabon welcomed **Trey Boone of E-Sources**. Mr. Boone presented and discussed the wage and salary study with the board.

- Proposed updates to Fairfield Electric Cooperative.
- The labor market has come close to normalizing.
- Last year the labor market was chaotic with large market salary adjustments.
- Some of the double-digit increases have come down.
- 3.1% market adjustment this year is consistent with pre-pandemic market forces.
- Job turnover has slowed this year.
- E-Source uses a national database with real-time data to support salary ranges.
- Conversion to PTO (Paid Time Off) pool for vacation and sick leave has been a successful policy, FEC employees have appreciated the greater flexibility.

Upon motion made by Timothy Hopkins, seconded by Keith Lewis, motion carried, a 3.1% increase to mid-points for wage and salary adjustments was approved to be based on position pay grade, time of service, and performance evaluations at an approximate cost of \$265,000.

Upon motion made by Derial Ogburn, seconded by Bruce Honeycutt, motion carried, the **minutes of the June 24, 2024**, meeting were approved as presented.

Upon motion made by Cynthia Able, seconded by Robert Entzminger, motion carried, **244 new consumers** for the months of June were accepted as members of Fairfield Electric Cooperative, Inc.

A list of **delinquent accounts totaling \$2,392.09** for the month of June was presented for consideration for write off as uncollectible. Upon motion made by Bruce Honeycutt, seconded by Cynthia Able, 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 Keith Lewis, seconded by Robert Entzminger, motion carried, the following resolution was adopted:

The estates of 12 deceased members have requested the Board of Directors consider approving the retirement of \$7,461.51 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 \$7,461.51 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 following with the Board:

Second quarter controllables were reviewed:

- Overall, budget for June 2024 is in good shape.
- Distribution expenses are under budget.
- Maintenance was over budget due to the storms.
- Property insurance has increased.
- Underground lines were overspent.
- The Overall line item is under budget.
- Maintenance for the quarter is slightly over budget.

Monthly Reviewed:

- In line with budget, generally.

Year to Date:

- Overall, the Cooperative is on or under budget almost everywhere.

Land Use Regulations in the Service Territory:

- Bruce Bacon informed the Board of Kershaw County's smart growth initiatives and housing density policy amendments.

Affirmative Action Plan 2024:

- Mr. Bacon reviewed the plan at a high level with the Board numbers and discussed that the number of minority and female positions within the Cooperative has improved.
- The report has lots of data available for review.
- Report has suggestions and plans to increase diversity at the Cooperative.

Santee Cooper Grant Program:

- FEC received two (2) grants.
 - Automatic Source Transfer Switchgear Motor Controls.
 - Improve system reliability.
 - Covered Conductor Spacer Cable
 - Improves system reliability.
- FEC continues to review and monitor EV charging and business model and involvement with EVs.
- A three-part rate is being reviewed and studied.

Cobblestone Substation:

- Richland County has asked FEC to engage in a land swap for two FEC properties that were planned as substation sites that are located adjacent to the Scout Project. Richland County and Scout would like the substations sites to be a part of the Scout campus and will convey to FEC a substitute parcel of real property (the Palmer Tract) that Richland County has identified and acquired in consultation with FEC. The properties owned by each party to the land swap are of roughly comparable book value.

Upon motion made by Peggy Swearingen, seconded by Cynthia Able, motion carried, the Board authorized the Board President to execute deeds of conveyance to Richland County for the FEC owned properties involved in the land swap transaction for the Palmer Tract and to execute such other documents and take, or cause to be taken, such other actions as may be necessary to effectuate the land swap transaction with Richland County

President Mitch Rabon provided an update on Central Electric Power Cooperative.

- Mitch Rabon then presented questions to Rob Hostetler regarding shared resources with SCPSA.
 - Mr. Rabon sees no clear path on shared resource with SCPSA. Each proposal will be reviewed as it gets proposed.
 - The challenges of SCPSA shared resources and the potential implications for the Coordination Agreement and extension of same was discussed.
- The challenges of feasibility of renewable energy sources, solar, was discussed.

Derrial Ogburn provided an update on The Electric Cooperatives of SC.

- Not much to report since the meeting in Wild Dunes.
- Legislative briefing update call will occur this week.

Robert Entzminger provided an update on CEEUS.

- Mr. Entzminger reported CEEUS Director positions are expanding to account for the addition of Mid Atlantic members.

Tim Hopkins provided an update on the Trustee Association.

- Next meetings will be in October and December.
- Timothy Hopkins reported on his efforts to have FEC host localized meetings with BREC, LREC, and Tri-County regarding regional economic development opportunities and regional challenges.
- Mr. Hopkins advised that he may try to arrange for a meeting in September.

Old Business:

None

New Business:

- Trustees, Cynthia Able and Peggy Swearingen attended the Co-Bank conference in Boston, Massachusetts on July 17-19, 2024. Cynthia Able reported that the conference was very informative.
- Economist presented information on interest rate changes, data center proliferation, economic indicators, improvements in battery technology.
- AI assistance in operational process and decisions.

Upon motion made by Derial Ogburn, seconded by Michael Good, motion carried, the Board went into Executive Session.

Upon motion made by Derial Ogburn, seconded by Donald Keith Lewis, motion carried, the Board exited Executive Session.

There being no further business to come before the Board, and unanimously approved, the meeting was adjourned.

Signed: _____

Robert K. Miles, Secretary
APPROVED

ATTEST: _____
Mitchell D. Rabon, President