

REGULAR MEETING OF MEMBERS OF THE BOARD

March 22, 2021

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, March 22, 2021, 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
Donald Keith Lewis	John E. Roberts, III	Robert K. Miles
Joseph E. Sharpe	William C. Good	

Attorney Ken DuBose was present.

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

Timothy L. Hopkins welcomed and introduced Scott McClelland and Michelle Jones with Elliott Davis who reviewed and discussed the 2020 audit with the board. No internal weaknesses in internal controls were found or identified. Disclosures as required were identified and discussed. The board discussed modernizing certain functions and transition planning as well as possible costs savings from certain functions with the auditors. A uniform procurement policy using best practices was also discussed with the auditors.

Upon motion made by Derial L. Ogburn, seconded by John E. Roberts, III, motion carried, the minutes of the meeting held on February 22, 2021, were approved as presented.

Upon motion made by Cynthia Able, seconded by Donald Keith Lewis, motion carried, 230 new consumers for the month of February were accepted as members of Fairfield Electric Cooperative, Inc.

A list of delinquent accounts totaling \$3,246.36 for the month of February was presented for consideration for write off as uncollectible. Upon motion made by Derial L. Ogburn, seconded by Joseph E. Sharpe, 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 John E. Roberts, III, seconded by Derial L. Ogburn, motion carried, the following resolution was adopted:

The estates of 25 deceased members have requested the Board of Directors give consideration to approving the retirement of \$11,223.82 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,

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Management recommends and Board approves capital credits totaling \$11,223.82 be paid. 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 with the board.

Bruce Bacon reported board members for Fairfield Electric Trust Corporation for Operation Round Up will need to be appointed at the April meeting. Floyd Bracey is eligible for reappointment. Joseph E. Sharpe recommended Muller O.J. Kreps for District 2 and Peggy D. Swearingen recommended Jim Stroman for District 1. Floyd Bracey, Muller O.J. Kreps, and Jim Stroman are approved to the advisory board by acclamation. The next round up board meeting will be held on April 19th.

Bruce Bacon reported eight new security installations, three takeovers, and thirty four service calls were completed during February.

Bruce Bacon reported the Member Advisory meeting has been cancelled due to COVID 19 concerns.

Bruce Bacon reported Vicky Melvin will present a five year budget comparison with the board at the April meeting.

Bruce Bacon reported mutual aid was provided to Southside Electric Cooperative in Virginia following back-to-back ice storms with eleven cooperatives from South Carolina assisting with their power restoration efforts.

Bruce Bacon presented and discussed an analysis of the benefits derived from membership in the Electric Cooperatives of SC for the board's information. Some of the areas of help to be discussed was attorney/legal services, lineman training services, governmental affairs, legislative lobbying, weather information, safety training, and mutual aid agreements. The board discussed the costs and benefits from membership as well as the costs and benefit from membership subscription to the magazine, Living in South Carolina.

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Bruce Bacon reported NRECA's virtual Legislative Conference will be held April 19 – 20 and will include briefings on policy issues, advocacy training, and virtual meetings with both SC Senators and each of the seven Congressional Members. Upon motion made, seconded and approved by acclamation, the following were authorized to participate: Mitch Rabon, Robert Entzminger, Peggy Swearingen, Tim Hopkins, Cynthia Able, Derial Ogburn, Keith Lewis, and Joe Sharpe.

Bruce Bacon reported ECSC's Summer Conference is being held in person June 6 – 9 at Wild Dunes. Thereafter, upon motion made by Derial L. Ogburn, seconded by Donald Keith Lewis, motion carried, attendance was approved for the following board members: Mitch Rabon, Robert Entzminger, Peggy Swearingen, Tim Hopkins, Cynthia Able, Derial Ogburn, Keith Lewis, John Roberts, Kenny Miles, and Joe Sharpe.

President Rabon reported staff recommends giving away a 2013 Chevrolet Impala 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.

The 2021 Service Policy Manual was approved as presented to the board at the January meeting upon motion made by Derial L. Ogburn, seconded by Cynthia Able, motion carried unanimously.

Minutes from the Nominating Committee meeting from March 8 were presented for the board's information. Lonnie Campbell was elected Committee Chairman and Brad Douglas was elected Committee Secretary by the Committee members. The Nominating Committee qualified all candidates and the following were nominated as candidates for the 2021 Annual Meeting election:

<u>District 1</u>	<u>District 2</u>	<u>District 3</u>
John E. Roberts, III	Joseph E. Sharpe	Gen Palmer
Calvin Jay Smith	Ronald Friday	Mike Good
Eddie Branham		

NRECA's virtual Director's Training Conference to be held March 23 & 24 was discussed. Upon motion made by John E. Roberts, III, seconded by Donald Keith Lewis, motion carried, the following were authorized to participate: Cynthia Able, Derial Ogburn, and Peggy Swearingen.

NRECA's Summer School East to be held June 3 – 8 in Myrtle Beach was discussed. Upon motion made by Timothy L. Hopkins, seconded by John E. Roberts, III, motion carried, the following were authorized to attend to complete courses needed to obtain their director certifications: Cynthia Able, Derial Ogburn, and Peggy Swearingen.

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Cynthia Able provided an update on behalf of the Benefit Review Committee meeting from March 25th. A proposal from Trey Boone of eSOURCES was sought to perform an independent audit of employee benefits and compensation design, structure, and practice, to include a review of policies, handbooks, and other documents related to those issues to ensure compliance with legal and regulatory requirements. eSOURCES will assist on this project for a fixed fee, and as an outside HR Consultant on any other requested projects at an hourly rate. The fixed fee for this project is \$8,750.00. The hourly rate for future projects will be \$125.00 per hour which is the rate for non-profit clients. FEC may cancel this agreement and stop work on any of these projects at any time and agrees to pay for any hours of work that eSOURCES has incurred prior to the cancellation of the project. Travel expenses will be billed as incurred. It was discussed that a meeting will need to be scheduled with Trey Boone to review the existing plan and receive feedback from Trey Boone prior to moving forward with Suzanne Corey. Upon motion made by Peggy D. Swearingen, seconded by Cynthia Able, motion carried, the scheduling of a meeting and services with Trey Boone was approved.

Keith Lewis and Bruce Bacon provided an update on the replacement of the Winnsboro Office and property search efforts for rebuilding. It was the board's consensus to proceed with the demolition and removal of the Winnsboro Office building and to construct a new facility at that location. A bid of \$66,000.00 from Carolina Wrecking for demolition and a bid of \$73,300.00 from Cids, LLC for abatement. Upon motion made by Donald Keith Lewis, seconded by Timothy L. Hopkins, motion carried unanimously. The bids from Carolina Wrecking for demolition and Cids, LLC for abatement was approved.

Mitch Rabon and Bruce Bacon provided an update and discussed Central Electric Power Cooperative's current operations and the 10 year Evolution Plan. Fairfield Electric Cooperative cannot at present agree with the proposed Evolution Plan and FEC at present cannot commit to a revised long-term contract with Central Electric or commit or agree to increased debt by Central Electric. FEC would like an Opt Out plan.

Derial Ogburn provided an update and discussion on the operations of the Electric Cooperatives of SC. He also reported on his meeting with an ECSC board member. A meeting was held in Sumter on March 18, 2021 with Mike Couick and Charles Allen as well as Chris Koon. ECSC is adamant that it cannot provide certain information on five key employees as to certain Benefit Plans. No response from ECSC as to transparency. As previously authorized, Mr. Ogburn will provide another letter regarding transparency and meet again with Mr. Allen.

Robert Entzminger provided an update on the operations of CEEUS. No meeting of CEEUS was held.

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John Roberts reported the Trustee Association's Virtual Spring meeting will be held Wednesday, April 7th. John Roberts reported that there will be no comments until after the April meeting.

Old Business: Peggy Swearingen discussed the bids from vendors as to grass cutting, having shrubs trimmed, yard maintenance for the Winnsboro office and Blythewood office. The two bids that were received opted out due to insurance issues. Also discussed was the leadership strategic plan update on a quarterly basis.

New business: None

There being no further business to come before the Board, upon motion made, seconded, and carried, the meeting was adjourned.

Signed: _____
Robert K. Miles, Secretary
APPROVED

ATTEST: _____
Mitchell D. Rabon, President