

REGULAR MEETING OF MEMBERS OF THE BOARD

April 25, 2022

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, April 25, 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.

Thomas Black, Vice President of Engineering, presented and discussed the RUS Construction Work Plan dated 2022 - 2026. Upon motion made by Keith Lewis, seconded by Robert Entzminger, motion carried, the following resolution approving the Work Plan was adopted:

BOARD RESOLUTION

WHEREAS, Fairfield Electric Cooperative, Inc., (Hereinafter called the “Cooperative”) owns and operates a rural electric system financed by a loan or loans from the United States of America, acting through the Administrator of the Rural Utilities Service, and

WHEREAS, the 2022–2026 Construction Work Plan (CWP) which estimates the capital improvements and extensions to the electric system, was prepared by Thomas S. Black, Jr., P.E., and

WHEREAS, the Board of Trustees, and the management and staff of the Cooperative, have reviewed the plan and determined that it is an accurate estimate of the Cooperative’s needs, and

WHEREAS, the General Field Representative of RUS agrees in principle to the Construction Work Plan design and cost as presented,

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of Fairfield Electric Cooperative, Inc. hereby approves and accepts the Construction Work Plan as presented, pending final RUS approval, and

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RESOLVED FURTHER, that the Chief Executive Officer be authorized to proceed once final approval is received to initiate these improvements and extensions in order that the Corporation can continue to render adequate and dependable electric service to its consumer-members and advise the Board of any changes.

RESOLVED AND PASSED this 25th day of April 2022.

Kenny Miles requested an amendment to kindly remove all references to Fairfield employees from the Minutes of the March 28, 2022 Board Meeting as presented. After a discussion, upon motion made by Derial Ogburn, seconded by Robert Entzminger, the Minutes of the March 28, 2022 Board meeting will be amended to read as follows:

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.

As amended, the minutes to the March 28, 2022 Board meeting were approved.

Upon motion made by Keith Lewis, seconded by Peggy Swearingen, motion carried, the minutes of the meeting held on April 11, 2022, was approved as presented. Timothy Hopkins abstained from approving the April 11, 2022 minutes.

Timothy Hopkins discussed the American Express statement as to expenses on SLED checks on nominees. Mr. Hopkins reported that based on the American Express statement SLED checks on the nominees have been accounted for except for Dan Ruff. Mr. Hopkins reported that despite the fact that Dan Ruff did not turn in the necessary documentation before the deadline, Mr. Ruff was allowed to go before the Nominating Committee. Mr. Hopkins suggested that the Nominating Committee should mandate that the nominee submit all necessary information and documentation prior to the deadline. It was suggested that if the necessary information and documentation is not received before the deadline, that nominee should be disqualified. Mr. Hopkins suggested that the Nominating Committee prepare a policy as to the requirements needed in order for the nominee to be eligible. Bruce Bacon will verify Mr. Ruff's information as to eligibility.

Upon motion made by Michael Good, seconded by John Roberts, motion carried, 304 new consumers for the month of March were accepted as members of Fairfield Electric Cooperative, Inc.

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A list of delinquent accounts totaling \$2,536.68 for the month of March was presented for consideration for write off as uncollectible. Upon motion made by Timothy Hopkins, 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 John Roberts, seconded by Timothy Hopkins, motion carried, the following resolution was adopted:

The estates of 13 deceased members have requested the Board of Directors give consideration to approving the retirement of \$10,885.09 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 \$10,885.09 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 the quarterly controllable expenses report.

Bruce provided updates on Operation Round Up and security system sales and service activity.

Bruce Bacon reported capital credit checks will be mailed May 3, 2022. The number of checks being mailed is 17,016 for a total of \$1,307,744.42. Bill credits of \$74.99 or less will be applied to 16,657 active accounts totaling \$398,484.79. The total amount of capital credits being refunded is \$1,736,487.11. This amount also includes \$1,572.27 in gains, bad debt recovered \$22,857.47 and final bills deducted in the amount of \$5,828.16. Bruce reported that there is still the \$500,000 gap in margins due to the storms earlier in the year and mild weather.

Bruce Bacon reported on annual meeting plans, the SC Stay program, and a recent event cohosted by the Electric Cooperatives of SC and Farm Bureau for area farmers in regards to safety and line clearance practices.

Bruce Bacon reported NRECA's five year benefit compliance audit is underway. Elliott Davis is assisting with this audit.

Bruce Bacon reported on the ORS 2022 Compliance Examination of Records & Information Requests for 2021.

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Bruce Bacon reminded board members of the BoardEffects tablet conversion timeline. The May & June board reports will be provided over OnBoard. BoardEffect user training will be held at the June meeting and BoardEffect will be utilized thereafter.

Re-appointment of board members to the Fairfield Electric Trust Corporation / Operation Round Up was discussed. Upon a unanimous vote, Marcy Caulder, Tim McSwain, and Haskell Belton were re-appointed.

Cynthia Able reported there was no current activity by the Benefit Committee. Cynthia requested to remove benefit committee report from the future agenda.

Keith Lewis reported the contract with Great Southern Homes has been executed for construction of the new Winnsboro Office. The construction time should be 12 to 14 months to complete depending on the availability of materials due to supply shortages. Mr. Lewis reported that FEC has one bid for preparation of the site and will obtain two more bids.

Mitch Rabon, Bruce Bacon, and Attorney Ken Dubose provided updates on the proposal from Central Electric to opt out of the proposed resource plan offered by Santee Cooper.

It was reported that Central Electric had asked for a vote to be taken on April 21 but after objections from several member Coops the vote was postponed until April 27, 2022. Objections were expressed that the information provided by Central was not sufficient for the members to make an informed decision and without adequate time for consultation with their individual boards.

Mr. Bacon and Mr Rabon were instructed to neither abstain, or vote for, or against the opt out proposal. Our position should protest the actual vote only on the grounds that we had not been provided sufficient information in a timely manner necessary for our representatives to fulfill their fiduciary responsibility to Central Electric and/or Fairfield. We could not fulfill our duty to Fairfield and we are required to only represent the best interest of Central Electric. This conflict leaves us no choice but to protest the vote at this time.

Derial Ogburn reported that there is nothing to report at this time.

Robert Entzminger provided an update on CEEUS. Mr. Entzminger reported that other than getting a letter prepared by the attorney, there is nothing new to report.

Tim Hopkins reported on the recent Trustee Association Spring Conference. Mr. Hopkins reported that the Trustee Association Spring Conference will more than likely not take place at Myrtle Beach. Mr. Hopkins reported that the Trustee Association is financially in good shape. Mr. Hopkins reported that the Trustee Association is looking into financing scholarships.

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Old Business: None.

New Business:

Peggy Swearingen suggested that the hot line phone number that appears on the FEC website should be placed in a better spot where it is more prominent.

Peggy Swearingen reported that she has reviewed past Minutes for the year 2016, 2017, 2018, and 2019. Ms. Swearingen reported that in 2017 the cost for water heaters and installation of the water heaters was over \$90,000.00. Ms. Swearingen suggested that this matter be investigated as to legitimate spending on water heaters and installation.

Peggy Swearingen passed out a sheet as to Moody Tree Service and reported that in 2016 and 2017, \$430,078.27 was spent on tree trimming. Ms. Swearingen reported that out of the \$430,078.27, \$207,683.34 had no work orders. Bruce Bacon will provide an Excel spreadsheet detailing the costs.

Mitch Rabon reported that he received registered mail from Cliff Judy in which Mr. Judy made complaints of using herbicide on right of ways. Bruce Bacon stated that FEC will refrain from using herbicide on Mr. Judy's property.

Upon motion made by Michael Good, seconded by Peggy Swearingen, motion carried, the board moved into executive session. At the conclusion of executive session, a motion was made by Michael Good, seconded by John Roberts, 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, and unanimously approved, the meeting was adjourned.

Signed: _____

Robert K. Miles, Secretary
APPROVED

ATTEST: _____

Mitchell D. Rabon, President