

REGULAR MEETING OF MEMBERS OF THE BOARD

October 27, 2025

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, October 27, 2025, at 12:30 p.m. at the cooperative headquarters in Blythewood, South Carolina. The following board members **were present:**

Cynthia E. Able
William M. Good
Donald K. Lewis
Mitchell D. Rabon

Robert Entzminger
Bruce E. Honeycutt
Robert K. Miles
Peggy D. Swearingen

Ronald D. Friday
Timothy L. Hopkins
Derial L. Ogburn

Attorney John K. DuBose, III was present.

President Mitch Rabon called the meeting to order.

Robert Entzminger gave the opening Invocation.

Upon motion made by Bruce Honeycutt, seconded by Derial Ogburn, motion carried, the **minutes of the meeting held on September 22, 2025**, were approved as presented.

Upon motion made by Keith Lewis, seconded by Peggy Swearingen, motion carried, **248 new consumers** for the month of September 2025 were accepted as members of Fairfield Electric Cooperative, Inc.

A list of **delinquent accounts** totaling \$7,384.06 for the month of September was presented for consideration for write-off as uncollectible. Upon motion made by Peggy Swearingen, seconded by Derial Ogburn, 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 Michael Good, seconded by Keith Lewis, motion carried, the following resolution was adopted.

The estates of **12** deceased members have requested the Board of Directors to consider approving the retirement of **\$9,180.13** as an administrative convenience to the estates. After reviewing the Cooperative's financial statements and determining whether such retirement will adversely impact on the Cooperative's financial condition, management recommends capital credits totaling **\$9,180.13** 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.

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Upon motion made by Michael Good, seconded by Derial Ogburn, motion carried, the **Board Resolution Authorizing the Deferred Revenue Plan For Fairfield Electric Cooperative, Inc.** was adopted.

BOARD RESOLUTION

AUTHORIZING THE DEFERRED REVENUE PLAN FOR FAIRFIELD ELECTRIC COOPERATIVE, INC.

BE IT RESOLVED, that the Board of Trustees of Fairfield Electric Cooperative, Inc. approve the Deferred Revenue Plan.

FAIRFIELD ELECTRIC COOPERATIVE, INC. DEFERRED REVENUE PLAN

General

Fairfield Electric Cooperative, Inc., as part of its overall approach to establishing rates for electric energy, has established a "Deferred Revenue Plan." Due to the potential of increasing power cost, Fairfield Electric Cooperative, Inc. recognizes the possibility of having to increase rates more rapidly than its member's desire. Accordingly, the plan is based on the desire to provide adequate cash flow and margins during periods that would otherwise be adversely affected by increased cost of power.

Under the plan, revenue totaling \$1,800,000 is to be deferred from January 1, 2025 through December 31, 2025.

The deferral would be recognized as follows:

<u>Year</u>	<u>Amount</u>
2029	\$1,800,000

Escrow of Funds

The Board of Trustees specified the deferred funds be deposited in a special fund until such time the amount is subsequently amortized into revenue. Accordingly, the funds are to be maintained in a separate account.

Tax Status

Fairfield Electric Cooperative, Inc. operates as a tax-exempt entity under Section 501(c) 12 of the Internal Revenue Service Code. The Board of Trustees of Fairfield Electric Cooperative, Inc. is aware of the potential impact of revenue deferral on its tax-exempt and cooperative statuses and accordingly, intends to

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assign future capital credits resulting from deferred margins to those members who paid them without regard to period of recognition as revenue.

Accounting

The plan is based on Accounting Standards Codification (ASC) 980 Regulated Operations, formerly Financial Accounting Standards Board Statement No. 71-*Accounting for the Effects of Certain Types of Regulation* which allows current period costs or revenues to be passed on to future customers with the assumption that such costs or revenues will be included in future rates. The specific accounting entries relating to the plan are:

Account Number	Description	Debit	Credit
(1)			
451	Miscellaneous Service Revenues	\$1,800,000	
254.17	Other Regulatory Liabilities-2025 Revenue Deferral		\$1,800,000
To record revenue deferral.			
(2)			
128.60	Other Special Funds-Deferred Revenue	\$1,800,000	
131.09	Cash		\$1,800,000
To record deposit of deferred revenue in a special account until recognized as revenue.			
(3)			
131.09	Cash	\$1,800,000	
254.17	Other Regulatory Liabilities-2025 Revenue Deferral	\$1,800,000	
451	Miscellaneous Service Revenues		\$1,800,000
128.60	Other Special Funds-Deferred Revenue		\$1,800,000
To record recognition of deferred revenue for 2029 and related transfer of funds.			

The deferral amounts will be disclosed in the financial statement as follows.

- Opening balance by year.
- Amount deferred by year.
- Amount returned to revenue.
- Balance at end of year.

Other

The plan has given consideration to Internal Revenue Service Regulations and ASC 980. The plan was developed to comply with the above referenced documents.

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Now, therefore be it resolved that the Board of Trustees of Fairfield Electric Cooperative, Inc. does hereby approve the above stated deferred revenue plan on this 27th day of October 2025.

Robert K. Miles, Secretary
Board of Trustees
Fairfield Electric Cooperative, Inc.

Bruce Bacon, **Chief Executive Officer**, reviewed and discussed:

1. Financial Statement for the month of September 2025.
 - Power usage for September was down from projections, so monthly revenue is down from projections. Unusually mild weather for the month resulted in lower power consumption. Overall, the budget is in good shape.
2. Quarterly Financial Statement for the third quarter (July, August, September) 2025
 - The cost of purchasing power is higher than projected.
 - Overall, the budget for the year is in good shape and the Cooperative is in a good financial position.
3. The CFC Director Workshop set for Wednesday, August 13, 2026 and Thursday, August 14, 2026 at the Columbia Marriott in Columbia, South Carolina will be discussed at the next board meeting for those who wish to attend the workshop.
4. The Trustee District Map was discussed. The Trustee District Map was adopted and enacted in 2021. District Map will need to be reviewed in October 2027. Per the Bylaws, the Trustees are to review and approve the changes to the District Map, as might be needed, every six years.
5. The Touchstone Energy Bowl is set for December 16, 2025. Tickets are now available for purchase.
6. Operation Round Up's next board meeting will be on Monday, December 15, 2025.

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7. Update - Security Systems – September 2025
3 Installs / 1 Takeover / 31 Service Calls
8. Upcoming Events / Dates to Remember
 - Board Budget Committee Meeting – November 10, 2025
 - The Cooperative's Christmas Party is set for December 6, 2025 at The Columbia County Club.
 - ECSC/NRECA Winter Conference is December 7-10, 2025 at the Grove Park Inn, Asheville, NC
 - Winter School for Directors is December 12-16, 2025 in Nashville, TN

Bruce Bacon provided an **update on Central Electric Power Cooperative ("CEPC")**.

- The Board discussed CEPC shared resource proposals with Sante Cooper.
 - The Board discussed the CEPC partnership with Duke that was approved at the last CEPC Board meeting
- The Board was informed that Mr. Rabon and Mr. Bacon, with the advice of FEC's consultant, voted against the CEPC project with Duke Energy.

Derial Ogburn provided an **update on The Electric Cooperatives of SC**. Mr. Ogburn reported that there is not much to report.

- Mr. Ogburn discussed with the President of the ECSC Association the abrupt resignation of Mike Couick.

Robert Entzminger provided an **update on CEEUS, Inc.** Mr. Entzminger reported that there has been no change.

- Mr. Entzminger attended the grand opening of the Virginia facility.
- CEEUS transparency was discussed. CEO compensation information still ~~cannot~~ will not be shared with the Board.

Tim Hopkins provided an **update on the Trustee Association**. Mr. Hopkins reported that the next Trustee meeting is October 31, 2025.

- Mr. Hopkins will provide a more detailed report at the next meeting.
- The possible merger of Statewide and Central will be discussed.

Upon motion made by Bruce Honeycutt, seconded by Timothy Hopkins, motion carried, the Board moved into Executive Session.

Upon motion made by Keith Lewis, seconded by Peggy Swearingen, motions carried, the Board came out of executive session and returned to the regular board meeting.

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Old Business: None.

New Business: Ronald Friday discussed his attendance at the Regional Meeting and the education he received on insurance reimbursement and offsets that Cooperatives can receive from Federated Insurance for good safety records and safety training.

Conclusion of meeting:

There being **no further business** to come before the Board, a motion was made by Ronald Friday, seconded by Timothy Hopkins, carried and approved, the meeting was adjourned.

Signed: _____
Robert K. Miles, Secretary
APPROVED

ATTEST: _____
Mitchell D. Rabon, President