

REGULAR MEETING OF MEMBERS OF THE BOARD

July 25, 2022

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

Attorney J. Kennedy DuBose, Jr. was present.

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

President Rabon welcomed Trey Boone of E-Sources who presented and discussed the wage and salary study with the board. Upon motion made by Cynthia Able, seconded by Michael Good, motion carried, a three and one half (3-1/2) percent increase to mid-points for wage and salary adjustments was approved at an approximate cost of \$202,000.00. The CEO and management staff will determine an individual's actual increase based on midpoints for each position and on an individual's performance evaluation on a merit basis. Additionally, Cynthia Able discussed the challenges today to deal with internal salary compression and retention of employees. Thereafter, upon motion made by Cynthia Able, seconded by Michael Good, a one-time mid-year inflation bonus was approved of \$2,000 per full time employee payable in August at an approximate cost of \$144,000.00. Ms. Able reiterated the importance of staying within the budget in 2023. The medical insurance cost sharing plan was discussed and upon motion of Cynthia Able, seconded by Michael Good, that the cost sharing plan in 2023 is the same as 2022 with no changes.

Cynthia Able reported that she met with Trey Boone on July 6, 2022. Cynthia also met with Vern Kelly and Jay Holloway with Blue Choice on July 13, 2022 regarding employee benefits.

Upon motion made by Derial Ogburn, seconded by John E. Roberts, III, motion carried, the minutes of the June 27, 2022, meeting were approved as presented.

Upon motion made by Timothy L. Hopkins, seconded by Robert Entzminger, motion carried, 339 new consumers for the months of June were accepted as members of Fairfield Electric Cooperative, Inc.

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A list of delinquent accounts totaling \$1,981.77 for the month of June was presented for consideration for write off as uncollectible. Upon motion made by John E. Roberts, III, seconded by Donald Keith Lewis, 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 Robert Entzminger, seconded by Michael Good, motion carried, the following resolution was adopted:

The estates of 19 deceased members have requested the Board of Directors give consideration to approving the retirement of \$9,142.96 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 \$9,142.96 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 for the month of June and reviewed the quarterly controllable expenses report with the Board.

Bruce Bacon provided updates on Operation Round Up and security system sales and service activity. The next Operation Round Up meeting is for August 15, 2022 at 5:00 PM at the Fairfield Electric Coop office.

Bruce Bacon reviewed and discussed the ECSC Wage & Salary Survey and a summary of cooperative provided benefits. Bruce reported that FEC will need to look into requesting bids for tree trimming services due to increased fuel costs.

Bruce Bacon presented and discussed a revision to Employee Policy # 7 – Workweek, Workday, On-Call, Call-Outs, & OT to provide for rest breaks during major storms. Upon motion made by Donald Keith Lewis, seconded by Robert Entzminger, motion carried, the policy was revised as follows:

- E. **Rest – Breaks – Major Storms**
 - 1. If an employee works a minimum of 16 hours in a 24-hour period, employee may be allowed an 8-hour rest period before reporting back to work if needed. If this rest period extends into the normal work day for the employee, the employee will

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be compensated at the employee's normal rate of pay for those hours covered in the employee's normal work schedule. These hours will also count against the 8 hour guarantee. An implied 8 hour work day applies for Saturdays, Sundays, and holidays before a work day.

Example

If the employee works a regular day and is on call and goes out on a call from 6:00 p.m. until 12:00 a.m. and gets another call from 1:00 a.m. until 3:00 a.m., the employee has now worked 16 hours in a 24 hour period. In this situation the employee would be allowed to take an 8 hour break and not report for work until 11:00 a.m. NOTE: The employee also gets paid at his regular rate of pay for his regular work missed due to the break time (7:00 a.m. to 11:00 a.m.)

Rest – Breaks – Major Storms- Continued

2. All rest breaks are at the discretion of the immediate supervisor and on-call operations supervisor who also approves rest breaks for those not serving on call duty. Extenuating circumstances will be taken into consideration in the administration of this policy.
3. **It is the responsibility of the employee to notify their supervisor if they qualify for this rest period prior to leaving work and to obtain release from storm outage work.**

NRECA's Regional Meeting scheduled for October 9 – 12 in Hollywood, FL was discussed. Registration was approved for the following to attend: Mitch Rabon, Robert Entzminger, Peggy Swearingen, and Cynthia Able, and subject to approval of attendance at the August meeting. The NRECA's Regional Meeting in Hollywood, FL was discussed in the August 22, 2022 meeting. A motion was made by Donald Keith Lewis, and seconded by Michael Good, the aforementioned attendees are approved to attend the meeting.

Keith Lewis reported the site work and the building pad for the new Winnsboro Office building was completed and that construction of the building will begin in the next couple of weeks. Mr. Lewis reported that the equipment is on site to begin construction of the building. He also reported that the footings have been dug and are ready for the concrete crew to pour the foundation. The storm drains and plumbing has also been installed.

Mitch Rabon and Bruce Bacon provided updates on the pending lawsuit with Central Electric as to governance of Central and the proposed resource plan to opt out of the proposed resource plan offered by Santee Cooper. Mitch Rabon reported that the Trustees of Central have

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voted to opt out of the Santee Cooper proposed shared resource as presented. Fairfield did not vote in favor or against the proposal from Santee Cooper because we had not been given enough time to analyze the options with our outside consultants. Central is in the process of evaluating other sources for generation or the possibilities of Central building generation facilities of its own that could be financed through RUS or others independent of Santee Cooper. Our current court case that relates to how Fairfield Electric will evaluate this new business plan proposed by Central is in the discovery state and proceeding as anticipated. We will continue to work with our outside consultant and attorney as more information comes available.

Derial Ogburn provided an update on The Electric Cooperatives of SC. There will be a meeting next week prior to the Association meeting to include discussions for salary increases.

Robert Entzminger provided an update on CEEUS. Mr. Entzminger reported that he was preparing a list of questions that he will ask at the Budget sessions that relate to compensation transparency. Mitch Rabon suggested that CEEUS review its retirement plan every 5 years.

John Roberts reported there is no current activity by the Trustee Association. Mr. Roberts reported that the meeting scheduled for September 5, 2022 will take place in Cayce instead of Walterboro and when a new date is determined it will be announced.

Old Business: None

New Business: Mr. Lewis suggested that FEC to hire an employee to clear out the right of way of trees. He also suggested that at every substation FEC to spray with herbicide one year, bush hog the following year, spray herbicide the following year, and skip a year and move forward with this schedule in the future. Bruce Bacon agreed to look into this matter.

Peggy Swearingen and Cynthia Able reported that FEC needs to hire someone for Human Resources/Human Resources Department.

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