

REGULAR MEETING OF MEMBERS OF THE BOARD

June 27, 2022

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, June 27, 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 John DuBose was present.

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

Thereafter, board members participated in Virtual Training with Pia Roper, Implementation Specialist, for the new Diligent BoardEffect tablet application.

Upon motion made by Derial L. Ogburn, seconded by John E. Roberts, III, motion carried, the minutes of the meetings held on April 25 and May 20, 2022, were approved as presented.

Upon motion made by Michael Good, seconded by Cynthia Able, motion carried, 554 new consumers for the months of April and May were accepted as members of Fairfield Electric Cooperative, Inc.

Bruce Bacon, Chief Executive Officer, reviewed and discussed the monthly financial reports for the months of April and May.

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

Bruce Bacon reported on employee turnover and discussed reasons within the labor market causing this trend in the electric utility industry.

Bruce Bacon reported offices will be closed on July 4 in observance of Independence Day and emergency stand by crews will be on call to respond if needed.

Bruce Bacon provided updates on the ACRE / ECHO campaigns and Founders Day celebration activities.

Bruce Bacon provided a presentation on the use of herbicides for clearing of rights-of-way. Mitch Rabon reported that he received a letter from Cliff Judy in which he does not agree to the use of herbicides. Bruce reported that FEC will continue to spray with herbicides which is more

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cost effective. Bruce reported that FEC has a “Do Not Spray” list if the member does not wish to continue with the spraying of herbicides on their property.

A list of delinquent accounts totaling \$1,095.31 for the months of April and May was presented for consideration for write off as uncollectible. Upon motion made by Derial L. Ogburn, seconded by Michael Good, 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 Michael Good, motion carried, the following resolution was adopted:

The estates of 26 deceased members have requested the Board of Directors give consideration to approving the retirement of \$14,991.34 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 \$14,991.34 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.

Restatement of the Retirement and 401-K Pension Plans as required by the IRS every 5 years was discussed. The restatement is of current plan designs only and no plan or monetary changes are being made. It was suggested that a meeting with Trey Boone be held in July to review the benefit plan and discuss higher wages, lower costs to benefits, conform to the business needs, restatement, age 60 to 65 retirement, and COBRA option for retirement. It was suggested doing away with pension plans and profit sharing which are not beneficial due to fluctuation in stocks. 401(K) plans are more beneficial. Upon motion made by Derial L. Ogburn, seconded by Cynthia Able, motion carried, the following resolution was adopted:

**RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING the
AMENDMENT and RESTATEMENT of
THE RETIREMENT SECURITY and / or 401(K) PENSION PLAN
For Fairfield Electric Cooperative, Inc.
REA # 41022-001**

WHEREAS, FAIRFIELD ELECTRIC COOPERATIVE, INC. is a participating employer in the NRECA-sponsored:

X	Retirement Security (RS) Plan
X	401(k) Pension (401(k)) Plan

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WHEREAS the Board of Directors of Fairfield Electric Cooperative, Inc. is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2022.

THEREFORE BE IT RESOLVED that this Board authorizes the July 1, 2022 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

BE IT FURTHER RESOLVED, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct Bruce G. Bacon, Chief Executive Officer, to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the Plan(s).

SIGNATURE OF THE SECRETARY: I, Robert K. Miles, certify that I am the Secretary of the Fairfield Electric Cooperative, Inc., Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the 27th day of June, 2022, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

The 2022-2023 Affirmative Action Programs for Minorities and Females; Individuals with Disabilities; and Protected Veterans were presented and discussed. It was reported that for the first time FEC has an employee that is a female Line Technician. Upon motion made by Donald Keith Lewis, seconded by Timothy L. Hopkins, motion carried, the affirmative action plans having been previously provided to the board were accepted as information to the board.

Keith Lewis reported DHEC permits are pending to begin site work and construction of the new Winnsboro Office building. Keith also reported he and Bruce Bacon met with the builders on June 23, 2022 and the contractors are to start the site work next week. The builders are hoping to begin construction of the new office about the 1st of August.

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 reported that Central Electric is looking to improve their benefits with their employees such as accumulated PTO (Paid Time Off) that has not been used and if the unused PTO can be returned to Central Electric. It was suggested that FEC discuss the salary/wage/budget with Trey Boone regarding benefits. Also discussed was Central Electric's request for a loan of \$10 million from the Cooperatives for economic development, land acquisitions, equipment, etc. It was suggested that the loan requested by Central Electric be denied.

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John DuBose reported that not much has changed as to the lawsuit. This lawsuit is still in the discovery stage in which depositions will be scheduled, expert witnesses have been retained by each party, and documents are being obtained for expert witnesses to review.

Derial Ogburn reported on the recent summer conference and board meeting of The Electric Cooperatives of SC. Mr. Ogburn reported that restatement of the retirement plan was discussed as well as defined benefits.

Robert Entzminger provided an update on CEEUS. Robert reported that a letter from the attorney is needed. Also, it was recommended that a discussion should take place as to CEEUS's retirement plan, how is this being funded based on inflation costs, economic downfall, and stock market.

John Roberts reported on the Trustee Association's activities. Mr. Roberts reported that the next meeting will be scheduled for September 5, 2022 in Walterboro. Mr. Roberts will not be able to attend the meeting and he recommended that Timothy Hopkins attend this meeting on his behalf.

Old Business: None

New Business: None

Upon motion made by Cynthia Able, seconded by Derial L. Ogburn, motion carried, the board moved into executive session. At the conclusion of executive session, a motion was made by Derial Ogburn, seconded by Michael Good, 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