

REGULAR MEETING OF MEMBERS OF THE BOARD

January 24, 2022

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, January 24, 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 John K. DuBose, III was present as Ken DuBose was unable to attend.

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

Jacque Passino, Sr. Manager with Elliott Davis, presented and discussed the procurement and purchasing report with the board. He reported that Fairfield's purchasing procedure for the past 24 months has been reviewed. Jacque also stated that Fairfield's purchasing procedure is being followed in most cases, with the exception of a few explainable instances. However, Elliott Davis feels that because of manual and paper-based workflows, that are in place today, there could be a possibility of high levels of inefficiency and susceptibility to fraud and loss. Jacque recommended and explained that a technological integrated procure to pay solution should be leveraged to eliminate paper documentation, create a digital workflows and approval process, support compliance with procurement policy and provide improved oversight. Bruce Bacon explained that any new program would need to be compatible with new customer information system now being installed.

Upon motion made by Timothy L. Hopkins, seconded by John E. Roberts, III, motion carried, the minutes of the meeting held on December 13, 2021, were approved as presented.

Upon motion made by Donald Keith Lewis, seconded by Cynthia Able, motion carried, 263 new consumers for the month of December were accepted as members of Fairfield Electric Cooperative, Inc.

A list of delinquent accounts totaling \$2,945.55 for the month of December was presented for consideration for write off as uncollectible. Upon motion made by Robert Entzminger, seconded by Peggy D. Swearingen, 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:

MEETING OF MEMBERS OF THE BOARD CONTINUED

January 24, 2022

The estates of 4 deceased members have requested the Board of Directors give consideration to approving the retirement of \$1,650.85 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 \$1,650.85 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 with the board.

Bruce Bacon provided updates on Operation Round Up, security system activity, and the upcoming Legislative Reception. Bruce Bacon also reported on severe damage by recent wind and ice storms on January 4, 2022 and January 16, 2022. There were approximately 8,000 power outages during the storms. Several crews from other Co-Ops were called in to assist Fairfield’s crews repair damage and restore service. Several board members reported receiving calls commending and thanking Fairfield’s staff on the excellent job they did, in very harsh conditions, to restore power to our members.

The general retirement of capital credits was presented by Bruce Bacon and the following resolution was adopted upon motion made by Derial L. Ogburn, seconded by Peggy D. Swearingen, motion carried:

WHEREAS, The cooperative believes in the principle of refunding capital credits;

WHEREAS, The financial condition of the cooperative will not be impaired by refunding capital credits as outlined below:

WHEREAS, The long-established fifteen year rotation for the refund of general retirement of capital credits for 2006 and additional retirements for more recent years are as follows:

2006	100%	\$ 944,136.63
2014	35%	410,914.59 Discounted
2020	35%	384,915.48 Discounted
Total		<u>\$1,739,966.70</u>
2021 Early Retirement Deceased Patrons		\$ 86,000.00 Estimate
Total Refund		<u>\$1,825,966.70</u>

MEETING OF MEMBERS OF THE BOARD CONTINUED

January 24, 2022

NOW THEREFORE BE IT RESOLVED, The Cooperative is in compliance with RUS and CFC mortgage requirements in making these refunds. Upon motion made, seconded, and unanimously carried, the refunds of capital credits as shown above are approved.

The 2022 Annual Meeting was discussed. Upon motion made by Timothy L. Hopkins, seconded by Donald Keith Lewis, motion carried, the annual meeting was scheduled for Friday, May 20, 2022. Due to continuing COVID safety concerns for members and staff, early voting by drive through voting and drive through registration was approved and the business meeting will be a virtual meeting live streamed at the Blythewood Cooperative office on May 20, 2022, at 6:00 p.m. The Chief Executive Officer and pertinent bylaw committees are authorized to cause to be performed all acts necessary to accomplish the holding of the virtual annual business meeting and early voting and early registration by the membership.

Upon motion made by Derial L. Ogburn, seconded by Peggy D. Swearingen, motion carried, in accordance with Section 4.06 of the By-Laws, Nominations of Trustees, the following members were appointed to the Nominating Committee for 2022 to nominate trustee candidates for the 2022 annual meeting election.

2022 NOMINATING COMMITTEE

Brad Douglas
Henry Long
Al Bozard
Sheryll Ray

Creighton Taylor
William Ingram
Dora Taylor
Carlton Payne

Jimmy Jackson
Lonnie Campbell
John Kubin

In accordance with state law, Mitch Rabon, Keith Lewis, Cynthia Able, and Timothy Hopkins recused themselves from the discussion and vote as to the appointment of the Nominating Committee and all exited the room.

Certification of Delegates to the Board of Trustees for Central Electric Power Cooperative for 2022 was presented for consideration. Upon motion made by Robert Entzminger, seconded by John E. Roberts, III, motion carried, Bruce Bacon and Mitch Rabon were appointed delegates.

Trustees and voting delegates for NRECA for 2022 were presented for consideration. Upon motion made by Robert Entzminger, seconded by Robert K. Miles, motion carried, Bruce Bacon and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

MEETING OF MEMBERS OF THE BOARD CONTINUED

January 24, 2022

Trustees and voting delegates for NRTC for 2022 were presented for consideration. Upon motion made by Donald Keith Lewis, seconded by Timothy L. Hopkins, motion carried, Bruce Bacon and Cynthia Able were appointed trustees with Cynthia Able being the voting delegate and Bruce Bacon being the alternate.

Trustees and voting delegates for CFC for 2022 were presented for consideration. Upon motion made by Michael Good, seconded by Peggy Swearingen, motion carried, Bruce Bacon and Mitch Rabon were appointed trustees with Bruce Bacon being the voting delegate and Mitch Rabon being the alternate.

Timothy Hopkins on behalf of Cynthia Able reported there was no current activity by the Benefit Committee. However, based on Trey Boone's evaluation, there will be a \$250,000.00 savings.

Keith Lewis provided updates on site work plans for the new Winnsboro Office building. Mr. Lewis reported that the survey has been done by the site engineer. Plans are to meet with the site engineer on January 26, 2022 for the final and bottom line.

Mitch Rabon and Bruce Bacon provided updates on Central Electric and EnerVision's continuing analysis of the cooperative's options as to Central's 10-Year Evolution Plan. The two major decisions that will need to be made are: 1) construction of a gas fired turbine; and 2) status of the Duke contract. The cooperative continues to propose additional due diligence and will explore options as to Central's Evolution Plan, including continuing to request opt out options, and will continue review with its consultants. John DuBose informed the board that the declaratory judgment action filed against Central Electric had been removed from State Court to Federal Court. He informed the board that there would be further updates as the lawsuit progressed.

Bruce Bacon reported Central's Executive Committee approved a \$7,086,169 NPV (net present value) incentive for Project Falcon to support Fairfield's effort to land Project Falcon in their service area.

Central's Regional Meeting that is being held in Charleston on February 11th was discussed. Upon motion made by Robert Entzminger, seconded by Derial L. Ogburn, motion carried, the following were authorized to attend:

Mitchell D. Rabon
Cynthia Able
John E. Roberts, III
Timothy Hopkins*

Robert Entzminger
Derial L. Ogburn
Donald Keith Lewis

Peggy D. Swearingen
Michael Good
Robert K. Miles

MEETING OF MEMBERS OF THE BOARD CONTINUED

January 24, 2022

(*Hopkins was approved to attend the meeting in Greenville on February 10th due to a schedule conflict.)

Derial Ogburn provided an update on The Electric Cooperatives of SC. Mr. Ogburn reported that there is not much to report. Mr. Ogburn stated that legislation for safety and driver training through the Co-Op system should be discussed.

Robert Entzminger provided an update on CEEUS. Mr. Entzminger reported that he is still working with the attorney on a letter to discuss the retention plan.

John Roberts reported the Trustee Association Advisory meeting is set to take place via virtual meeting on February 1, 2022. Mr. Roberts also reported that the conference at Myrtle Beach is set for April 18-21, 2022. Mr. Roberts reported that he would like for Timothy Hopkins to possibly attend the conference on his behalf.

Old Business: None.

New Business: Mitch Rabon reported that he received a handwritten letter from a Co-Op member since 1948, Mrs. Hugh Martin, stating her appreciation regarding the lawsuit to keep rates low.

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

Signed: _____

Robert K. Miles, Secretary
APPROVED

ATTEST: _____

Mitchell D. Rabon, President