

REGULAR MEETING OF MEMBERS OF THE BOARD

SEPTEMBER 25, 2023

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., (“FEC”) was held on Monday, September 25, 2023, 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 E. Able	Derial L. Ogburn
John E. Roberts, III	Donald Keith Lewis	Robert K. Miles
William Michael Good	Bruce E. Honeycutt	

Attorney John DuBose was present.

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

Hampton Oxendine, with CFC, provided a Key Ratio Trend Analysis to the Board. Mr. Oxendine reported as follows:

- FEC is in strong financial health. There has been a 3% growth in meters over a five-year average, which is greater than SC and national median growth.
- There are future economic development projects that will bring employees, who most likely will establish residency in the FEC service territory.
- The SCOUT project will have 4,000-5,000 employees. A second phase, for Audi, will have 4,000 employees.
- Fairfield Electric Cooperative has about 66 employees: down from 2022.
- Account write-offs are at a good percentage. 99% of the members pay their bill.
- Over the last five (5) years, electricity sales have been trending more towards residential compared to small and large commercial businesses.
- Retirement of capital credits to members is far above the state average. This indicates that Fairfield is meeting the spirit and goal of the cooperative model.
- FEC rates are lower than the SC and national median rates. Mr. Oxendine advised that FEC has not had a rate change for many years. But there is an inevitability that rates will eventually have to increase due to present inflationary factors on the cost of labor and material as well as cost factors outside of FEC’s control – like the expiration of the Cook lawsuit freeze and the ability for Santee Cooper to increase power supply costs.
- Overall, FEC is financially sound and performing well in all metrics analyzed.

APPROVAL OF MINUTES

Upon motion made by Derial Ogburn, seconded by Bruce Honeycutt, motion carried, the minutes of the September 25, 2023, meeting were approved as presented.

NEW CONSUMERS

Upon motion made by Timothy Hopkins, seconded by Cynthia Able, motion carried, 263 new consumers for the month of August were accepted as members of Fairfield Electric Cooperative, Inc.

WRITE OFFS

A list of delinquent accounts totaling \$6,256.90 for the month of August was presented for consideration for write off as uncollectible. Upon motion made by Derial Ogburn, seconded by Robert Entzminger, motion carried, authorization was granted to write these off against the cooperative's reserve for uncollectible accounts.

REFUND DECEASED PATRON'S CAPITAL CREDITS

A list of deceased patron's estates requesting payment of their capital credits was presented for consideration. After discussion and upon motion made by Keith Lewis, seconded by Michael Good, motion carried, the following resolution was adopted:

The estates of 20 deceased members have requested the Board of Directors give consideration to approving the retirement of \$12,875.66 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 \$12,875.66 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.

CEO REPORT

Bruce Bacon, CEO, reviewed, reported and discussed the following:

- Financial Statement: Due to the hot weather, August was a good month financially. FEC is in good shape on the budget. Year to date, FEC is ahead of budget and running positive for projections. However, a projected mild Fall and Winter may pull end-of-year numbers closer to budget projections. FEC remains in strong financial health.
- PURPA 111d Presentation: Bruce Bacon discussed that FEC is subject to PURPA 111d as it has sales exceeding 500 kWh. FEC must consider and make a written statement and determination on:
 - 1) Demand Response Practices and
 - 2) an EV Charging Program on or before November 15, 2023.

There is no requirement that the matters be implemented, but FEC must make a determination on the issues. Mr. Bacon advised that FEC has some Demand Response Practices in place and will present information for the Board to consider at the October

meeting so that FEC can comply with PURPA 111d. Bruce reported that a written decision is due by November 15, 2023. The decision will be posted on the FEC website.

- Operation Round Up – next meeting - October 16th
- Update on Security Systems: 7 installs; 1 takeover; 45 service calls
- TreeMendUs program – this is FEC’s Crepe Myrtle tree give away to partially offset the impact of tree removal for right-of-way work. Bruce reported that the program has been very well received by membership. Members that requested the free trees can pick them up on Sept. 28th from 9:00 am to 4:00 pm.
- Santee Cooper Dinner Forum - October 2nd from 5:00 to 8:00 pm at the Hilton Columbia Center
- Fall Member Advisory Meeting - October 19th at 7:00 pm
- Board Budget Committee Meeting - November 6th as follows:
 - Audit & Planning Committee 11:00 am
 - Budget & Finance Committee 11:45 am
 - Policy & Operations Committee 1:15 pm
 - Public Relations Committee 2:00 pm
- FEC Christmas Party - December 2nd at 7:00 pm at the Columbia Country Club.
- NRECA 2023 Regional Meetings 2 & 3 will be held on October 11 – 13th in Louisville, KY.

DEFERRED REVENUE PLAN

Bruce Bacon reported that \$1.2 million in deferred revenue was proposed for 2023. FEC currently has a total of \$5.8 million in deferred revenue. Mr. Bacon reported that the goal is to reach \$7 million. Bruce Honeycutt initiated a discussion among Trustees concerning the possibility of increasing the deferred revenue from \$1.2 million to \$1.7 million. The plan is for the deferred revenue to be used for future financial obligations in the next couple of years. Upon motion made by Derial Ogburn, seconded by Timothy Hopkins, motion carried, and approval of the Deferred Revenue Plan will be held in abeyance and deferred until the next regular meeting pending staff review and report on the feasibility of an increase from \$1.2 million to \$1.7 million in deferred revenue.

APPROVAL OF 2024 BOARD MEETING SCHEDULE AND ANNUAL MEETING DATE

Upon motion made by Cynthia Able, seconded by Bruce Honeycutt, motion carried, the 2024 Board Meeting schedule and Annual Meeting Date was approved.

APPROVAL OF 2023-2024 BOARD COMMITTEE ASSIGNMENTS

Upon motion made by Keith Lewis, seconded by Cynthia Able, motion carried, the 2023-2024 Board Committee Assignments were approved.

APPROVAL TO ATTEND ECSC WINTER CONFERENCE/CENTRAL ELECTRIC STRATEGIC PLANNING SESSION IN ASHEVILLE, NC ON DECEMBER 3-7, 2023

President Mitch Rabon reported that the ECSC Winter Conference/Central Electric Strategic Planning Session will be held in Asheville, NC on December 3-7, 2023. Upon motion made by Peggy Swearingen, seconded by Robert Entzminger, motion carried, the following members are authorized to attend the meeting:

Mitchell D. Rabon	Bruce E. Honeycutt	Peggy D. Swearingen
Timothy L. Hopkins	Robert Entzminger	Derial L. Ogburn
John E. Roberts, III	Cynthia Able	Robert K. Miles

CENTRAL ELECTRIC

Mitch Rabon and Bruce Bacon provided updates on Central Electric Power Cooperative. There will be a meeting with Central on Monday, October 2, 2023, to discuss rate adjustments.

ECSC

Derial Ogburn provided an update on The Electric Cooperatives of SC. There was discussion of rate adjustments.

Trustee voting delegates for ECSC required approval. Upon motion made by Robert Entzminger, seconded by Cynthia Able, motion carried, Bruce Bacon was nominated as the primary and Derial Ogburn was nominated as the alternative as voting delegates to represent the Cooperative at the membership of the ECSC to be held on December 5, 2023. Bruce Bacon and Derial Ogburn were nominated to serve as Trustees on the Board of The Electric Cooperative of South Carolina, Inc. with their term beginning with the Annual Meeting of the Association to be held on December 5, 2023, and to serve for a period of one (1) year or until their successors have been named.

CEE US

Robert Entzminger provided an update on CEEUS. Mr. Entzminger reported that he abstained from voting on the budget due to lack of information and transparency concerning the top five (5) executive salaries. Mr. Entzminger reported the reasoning for his votes on the budget are not included in the CEEUS Minutes despite his request that his reasoning be noted. The Board discussed that Mr. Entzminger's reasoning for his vote should be noted to give an explanation as to why Mr. Entzminger voted against the budget. Upon motion made by Robert Entzminger, seconded by Michael Good, motion carried, Mr. Entzminger's reasoning for his vote against the CEEUS budget shall be noted in the minutes of this FEC Board meeting. Mr. Entzminger's reasoning for abstention on the budget vote for CEEUS was also noted in the August 28, 2023,

Board minutes.

TRUSTEE ASSOCIATION:

John Roberts provided an update on the Trustee Association. Mr. Roberts reported that there is not much to report.

OLD BUSINESS:

Cynthia Able reported on the CEO evaluation. Mrs. Able provided an evaluation handout to Board members to review in advance of the next Board meeting. Said handout will give the Board thorough and thoughtful discussion information concerning the CEO evaluation. Mrs. Able encouraged Board members to review the information available on the Pro Publica website under Non-Profit Explorer so that the Board has fair comparisons of other organizations and cooperatives of comparable size to FEC. The Board will discuss the CEO's evaluation in detail at the next meeting in October.

NEW BUSINESS:

Peggy Swearingen reported a grant was awarded to Newberry Electric Cooperative for battery storage near Blair, SC. She encouraged the CEO to seek any grants applicable to FEC's business model. Mrs. Swearingen reported that the failed VC Summer nuclear site will have two (2) replacements of combustion turbines. The cost for the project is \$180 million dollars. The project will begin in October, 2023 and is projected to be completed in 2025.

EXECUTIVE SESSION:

Upon motion made by Robert Entzminger, seconded by Michael Good, motion carried, the board moved into executive session.

At the conclusion of the executive session, a motion was made by Keith Lewis, seconded by Derial Ogburn, motion carried, for the Board to come out of executive session.

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