

REGULAR MEETING OF MEMBERS OF THE BOARD

June 24, 2019

A regular meeting of the members of the Board of Trustees of Fairfield Electric Cooperative, Inc., was held on Monday, June 24, 2019, at 12:30 p.m. at the cooperative headquarters in Blythewood, South Carolina. The following board members were present:

Mitchell D. Rabon	Robert Entzminger	Robert K. Miles
William C. Good	Allen L. Beer	Timothy L. Hopkins
Peggy B. Jeffcoat	Joseph E. Sharpe	Donald Keith Lewis
John E. Roberts, III		Cynthia E. Able

Attorney Ken DuBose was present.

President Mitch Rabon called the meeting to order and Robert Entzminger gave the invocation. President Rabon welcomed Cynthia Able as a new board member.

President Rabon introduced Brenda Matthews of Felbren & Associates who presented and discussed the cooperative's 2019-2020 Affirmative Action Programs for Minorities and Females; Individuals with Disabilities; and Protected Veterans.

President Rabon introduced Bryan Isgett of McNair, McLemore, & Middlebrooks who discussed new accounting standards that are being implemented in regards to unbilled revenue.

Upon motion made by Keith Lewis, seconded by Tim Hopkins, motion carried, the board was declared in executive session to review and discuss the cooperative's IRS Form 990 which was presented to the board by Bryan Isgett and prepared in conjunction with the cooperative's annual audit. The 990 report was accepted as information and will be submitted to the IRS as presented.

Thereafter, upon motion made, seconded and carried, the board returned to its regular session.

Upon motion made by Joe Sharpe, seconded by John Roberts, motion carried, the minutes of the meetings held on April 22 and May 21, 2019, were approved as presented.

Upon motion made by Kenny Miles, seconded by John Roberts, motion carried, 502 new consumers for the months of April and May 2019 were accepted as members of Fairfield Electric Cooperative, Inc.

Vicky Melvin, Controller, presented and discussed the financial and statistical reports for the month of May 2019 and reviewed historical information regarding uncollectible accounts.

Bruce Bacon reported Operation Round Up's board met June 17th and made donations to a needy individual, the Richland County Red Cross, Christian Assistance Bridge in Blythewood, Christian Community Ministries of Kershaw County, and the Lugoff Fire Department for smoke alarms they will install in homes of the elderly and needy families.

Bruce Bacon reported nine new security systems were sold during April and May and one system was converted from another company.

Bruce Bacon provided updates and discussions were held on the following: July 4 holiday, ACRE / ECHO campaigns, Santee Cooper legislation, Santee Cooper subpoena, Central's issue with Marlboro Electric Cooperative, bankruptcy accounts and capital credits, and substantial cost savings recognized with purchasing single phase meters from another cooperative.

Attorney DuBose also discussed the Santee Cooper legislation and subpoena and reported ECSC retained Brad Hutto on behalf of some member cooperatives. A discussion was held regarding ECSC not billing cooperatives not being represented through ECSC.

MEETING OF MEMBERS OF THE BOARD CONTINUED

June 24, 2019

A list of delinquent accounts totaling \$1,763.55 for the months of April and May 2019 was presented for consideration for write off as uncollectible. Upon motion made by Tim Hopkins, seconded by 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 Billy Good, seconded by Allen Beer, motion carried, the following resolution was adopted:

The estates of 28 deceased members have requested the Board of Directors give consideration to approving the retirement of \$14,601.81 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 \$14,601.81 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.

Revisions to the Solar Rate and Time of Use Rate were presented and discussed. Upon motion made by Keith Lewis, seconded by Joe Sharpe, motion carried, the following rates were adopted:

Rate Schedule - SS

RESIDENTIAL SOLAR SERVICE – 12

AVAILABILITY

Available in all territory served by the Cooperative near lines of adequate capacity, subject to the Cooperative's established Service Rules and Regulations which include the Standard for Interconnecting Small Generation 100 kW or Less with Electric Power Systems (EPS) Interconnection Standard.

APPLICABILITY

Applicable to solar installations for residential, farm, and home consumers where service requirements necessitate the installation of 50 kVA or less transformer capacity. Approved energy management systems shall be capable of reducing the customer's contribution to the Cooperative's coincident peak. The Cooperative may, at its option, monitor the operation of the system to assure that the system is operating to the mutual benefit of the consumer and the Cooperative.

TYPE OF SERVICE

Alternating current, 60 cycle, single phase at standard secondary voltages, and where applicable, with approved energy management systems, supplied through one meter.

MONTHLY RATE

Basic Facilities Charge	@	\$14.00 per month
Energy Charges:		
First 1,000 kWh	@	\$0.11500 cents per kWh
Over 1,000 kWh	@	\$0.09650 cents per kWh

MEETING OF MEMBERS OF THE BOARD CONTINUED

June 24, 2019

Rate Schedule – SS – Residential Solar Service Rate 12 (Continued)

POWER COST ADJUSTMENT

The monthly rate will be increased or decreased by an amount per kilowatt-hour in accordance with the Cooperative's Wholesale Power Cost Adjustment formula, Schedule WPCA. Further, no energy credit or payment will be provided for excess energy production.

MINIMUM MONTHLY CHARGE

The minimum monthly charge under this schedule for single-phase service will be \$14.00.

TAX ADJUSTMENT

In addition to all other charges contained herein, the consumer shall pay any sales, use, or other tax, excluding franchise fees, now or hereafter applicable to the service rendered hereunder or imposed on the Cooperative as a result of such service; provided, however, that no such tax shall be charged if the consumer has furnished to the Cooperative evidence of the consumer's exemption from such liability for such tax.

TERMS OF PAYMENT

The above rate is net. If full payment is not received in our office within fifteen (15) days of the billing date, the gross will apply. The gross rate is the net rate plus either ten percent of the net rate or \$10.00, whichever is lower.

ADOPTED: June 24, 2019

EFFECTIVE: June 24, 2019

Rate Schedule – NM-TOU

NET METERING – TIME OF USE RETAIL SALES

AVAILABILITY

Available in all territory served by the Cooperative, subject to the Cooperative's established Service rules and Regulations.

APPLICABILITY

This schedule is applicable for all demand and energy furnished by the Cooperative to residential customers who operate an Eligible Generation Source as defined herein. Service provided hereunder is on a first-come, first-served basis as a pilot program conducted jointly by the Cooperative and its power supplier, Central Electric Power Cooperative, Inc., ("Central"), subject to the General Conditions set forth herein, and further subject modification or discontinuation at the Cooperative's discretion. Services purchased hereunder shall be metered and billed separately by single-customer load.

Residential customers participating in this pilot program ("Customers") are limited to private residences, single family dwelling units, and farms that are concurrently receiving electric service from the Cooperative and where photovoltaic, wind-powered, micro-hydro, biomass-fueled, or other Cooperative-approved renewable generation source of energy ("Eligible Generation Source") is installed on the Customer's side of the delivery point, for the Customer's own use, interconnected with and operated in parallel with the Cooperative's distribution system.

MEETING OF MEMBERS OF THE BOARD CONTINUED

June 24, 2019

Rate Schedule – NM-TOU – Net Metering – Time of Use Retail Sales (Continued)

This schedule is only applicable for installed single-phased *[for three phased - to be determined by cooperative]* generation systems that comply with the Cooperative’s then current “Standard for Interconnecting Small Generation 100 kW or Less with Electric Power Systems” (“Interconnection Standard”), which may be modified by the Cooperative from time to time. The Nameplate Rating of the Customer’s installed generation system and equipment must not exceed *[to be determined by the cooperative]* 50 kW, *[whichever is less]*.

TYPE OF SERVICE

Single-phase service, 60 cycles, at standard secondary voltage, or such other voltages as may be mutually agreed upon.

RATE (Per Month)

Basic Facilities Charge @ \$50.00

The following Demand and Energy Charges are the same as such charges set forth in Central’s Schedule NMP-TOU - SALES FOR RESALE billed to the Cooperative, currently being and as amended from time to time:

Demand Charges:

Generation @ \$4.25 per kW of On-peak Billing Demand
Standby @ \$1.75 per kW of On-Peak Billing Demand

Energy Charges:

	<u>Summer Months</u>	<u>Winter Months</u>
All kWh used during On-Peak Hours	6.919¢/kWh	5.290¢/kWh
All kWh used during Off-Peak Hours	4.850¢/kWh	4.626¢/kWh

MINIMUM MONTHLY CHARGE

The minimum monthly charge under this schedule for single-phase service shall be \$50.00, or such other minimum monthly charge as specified in a written agreement between the Customer and the Cooperative.

WHOLESALE POWER COST ADJUSTMENT FACTOR

The Cooperative’s Wholesale Power Cost Adjustment Factor will not apply to service supplied under this schedule.

ADJUSTMENT FOR ACTUAL COSTS

The foregoing charges are based on projected costs and may be adjusted at least annually to reflect changes in such projected costs. Adjustments shall include an appropriate recognition for any under or over recovery of actual costs from prior periods as billed by Central to the Cooperative under the Central’s Schedule NMP-TOU - SALES FOR RESALE.

DETERMINATION OF ON-PEAK BILLING DEMAND

Demand shall be measured at or as of the secondary voltage side of the transformer located at the Cooperative’s delivery point of service to the Customer, but may be metered elsewhere and appropriately adjusted to compensate for losses between the Cooperative’s point of delivery to the Customer and the point of metering.

The monthly On-Peak Billing Demand shall be the maximum 30-minute integrated kilowatt demand delivered to the Customer during the On-Peak Hours in the month for which the bill is rendered.

MEETING OF MEMBERS OF THE BOARD CONTINUED

June 24, 2019

Rate Schedule – NM-TOU – Net Metering – Time of Use Retail Sales (Continued)

DETERMINATION OF BILLING ENERGY

All billing energy will be as metered, with appropriate adjustment for losses between the Cooperative's point of delivery to the Customer and the point of metering.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

On-Peak Hours during the Summer Months of May, June, July, August, September, and October shall be the hours from 12:00 noon until 10:00 p.m., all days of the week.

On-Peak Hours during the Winter Months of November, December, January, February, March, and April shall be the hours from 5:00 a.m. until 9:00 a.m., all days of the week.

Off-Peak Hours shall be all hours not specified above as On-Peak Hours.

TERM OF SERVICE

Acceptance of service under this schedule binds the Customer to all terms and conditions of this schedule. Such obligations shall begin on the date of such acceptance of service and shall continue for an initial term of one (1) year and thereafter for additional terms of one (1) year each, unless and until terminated at the end of such initial term or any additional term by no less than sixty (60) day's advance written notice of termination from the Customer to the Cooperative.

The Cooperative reserves the right to terminate service under this schedule at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of the schedule, or if the Customer operates the generation system and equipment in a manner which is detrimental to the Cooperative or any of Cooperative's other customers.

GENERAL CONDITIONS

The following general conditions shall apply to the service furnished hereunder:

1. **METERING:**

Central will furnish, install, own and maintain metering to measure the kilowatt demand and kilowatt-hours delivered by the Cooperative to the Customer. Central shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with Central's and the Customer's equipment.

2. **INSURANCE:**

The Customer must comply with the liability insurance requirements of the Cooperative's Interconnection Standard and submit an application to interconnect which must be accepted by the Cooperative.

3. **APPLICATION FEES:**

The Customer agrees to pay an application fee in accordance with the Cooperative's Interconnection Standard.

4. **SYSTEM UPGRADES:**

The Customer will pay any costs associated with upgrades to the Cooperative's distribution system required for the Cooperative to maintain a safe and reliable distribution system.

MEETING OF MEMBERS OF THE BOARD CONTINUED

June 24, 2019

Rate Schedule – NM-TOU – Net Metering – Time of Use Retail Sales (Continued)

5. OWNERSHIP OF PREMISES:

If the Customer is not the owner of the premises receiving electric service from the Cooperative, the Cooperative shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this schedule.

6. RENEWABLE ENERGY CREDITS:

By accepting service under this Schedule, the Customer conveys to Central ownership of any Renewable Energy Credits or other environmental attributes to the energy produced by the Customer's Eligible Generation Source and sold to Central. Further, by accepting service under this schedule the Customer shall at Central's request execute such further instruments or assurances as Central may reasonably deem necessary to evidence or confirm the ownership of any such Renewable Energy Credits or other environmental attributes.

7. CHANGES TO SCHEDULE:

Due to the experimental nature of this schedule, the Cooperative may deem it necessary to re-evaluate this schedule and, as with all schedules, reserves the right to review, eliminate, or close this schedule to new customers; provided, however, that this schedule shall not be closed prior to Central's Schedule NMP-TOU - SALES FOR RESALE billed to the Cooperative being closed.

TAX ADJUSTMENT

In addition to all other charges contained herein, the consumer shall pay any sales, use, franchise or other tax now or hereafter applicable to the service rendered hereunder or imposed on the Cooperative as a result of such service; provided, however, that no such tax shall be charged if the consumer has furnished to the Cooperative evidence of the consumer's exemption from such liability for such tax.

TERMS OF PAYMENT

The above rate is net. If full payment is not received in the Cooperative's office within fifteen (15) days of the billing date, the gross will apply. The gross rate is the net rate plus either ten percent (10%) of the net rate or \$10.00, whichever is lower.

REVISED: 06-24-2019

EFFECTIVE: 06-24-2019

A minor revision to Personnel Policy # 7 – Workweek, Workday, On-Call, Call-Outs, and Overtime Compensation providing the Vice President of Operations determines the “on-call duty week” was presented and discussed. Upon motion made by Joe Sharpe, seconded by Kenny Miles, motion carried, the revision was approved as presented.

Bruce Bacon presented a summary of the Benefit Committee meetings previously held with consultants from Fin-Trust Financial Advisors, Mass Mutual, and NRECA and reported it is management's recommendation to make revisions to the NRECA Retirement and Security Program for new employees hired on or after January 1, 2020. A motion was made by Keith Lewis to approve the CEO's recommended plan changes, motion seconded by Robert Entzminger. No vote was taken on the motion by consent of Keith Lewis and it was deemed withdrawn. Upon motion made by Tim Hopkins, seconded, and carried, the board was declared in executive session to discuss this matter further.

MEETING OF MEMBERS OF THE BOARD CONTINUED

June 24, 2019

Thereafter, upon motion made, seconded and carried, the board returned to its regular session.

Upon motion made by Robert Entzminger, seconded by Billy Good, motion carried, changes to the Retirement and Security Plan were tabled so the board could review the amendments to the plan with consultant Chip Hardy of FinTrust Financial Advisors.

A vacancy on the Board of Trustees of The Electric Cooperatives of SC was discussed. Upon motion made by Joe Sharpe, seconded by Robert Entzminger, motion carried, the following resolution was adopted:

RESOLUTION
APPOINTMENT OF REPRESENTATIVE
TO THE BOARD OF TRUSTEES OF
THE ELECTRIC COOPERATIVES OF SOUTH CAROLINA

WHEREAS, John A. Bloodworth, Jr., is no longer an active member of the Board of Trustees of Fairfield Electric Cooperative, Inc.;

NOW THEREFORE BE IT RESOLVED, the Board of Trustees of Fairfield Electric Cooperative, Inc. hereby appoints Mitchell D. Rabon to replace John A. Bloodworth, Jr., former board member of Fairfield Electric, to serve on the Board of Trustees of the Electric Cooperatives of South Carolina effective immediately.

A summary was provided regarding the new governance laws and Attorney Ken DuBose discussed board member expenses, single member districts, and other requirements under the new laws.

Rescheduling the September board meeting to September 30th at 1:00 p.m. at Wampee Conference Center to be held in conjunction with a board retreat at that location on September 30th and October 1st was approved upon motion made by Keith Lewis, seconded by Joe Sharpe, motion carried. All board members were authorized to attend these meetings.

NRECA's Region II meeting to be held October 7 – 10 in Louisville, Kentucky, was discussed. Upon motion made by Joe Sharpe, seconded by Keith Lewis, motion carried, the following were authorized to attend: Mitch Rabon, Robert Entzminger, Joe Sharpe, and Cynthia Able.

Tim Hopkins provided an update on the Trustee Association.

There was no old business to come before the board.

Under new business, President Rabon updated board committee assignments.

President Rabon also shared a thank you letter from a Washington Youth Tour Representative who after meeting her congressman a couple of years ago while there received a recommendation to the U.S. Naval Academy where she continues to progress with honors.

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

Signed: _____
Peggy B. Jeffcoat, Secretary

ATTEST: _____
Mitchell D. Rabon, President