

SOUTH CAROLINA OFFICE OF REGULATORY STAFF

TO: BOARD OF TRUSTEES OF LYNCHES RIVER ELECTRIC COOPERATIVE, INC.

FROM: SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DATE: NOVEMBER 1, 2023

RE: REQUEST FOR INSPECTION, AUDIT, EXAMINATION, AND OTHER RELIEF REGARDING ALLEGED UNETHICAL CONDUCT AND VIOLATIONS OF ACT 56

SOUTH CAROLINA OFFICE OF REGULATORY STAFF'S FIRST AND CONTINUING REQUEST FOR PRODUCTION OF BOOKS, RECORDS AND OTHER INFORMATION TO BOARD OF TRUSTEES OF LYNCHES RIVER ELECTRIC COOPERATIVE

I. INSTRUCTIONS

The South Carolina Office of Regulatory Staff (“ORS”) hereby requests pursuant to S.C. Code Ann. §§ 58-4-50(A)(12), 58-4-55, and 33-49-150(A) that the Board of Trustees (“Board”) of Lynches River Electric Cooperative, Inc. (“Lynches River” or “Electric Cooperative”), provide responses to the following Requests for Production of Books, Records, and Other Information electronically and under oath and serve the undersigned by **November 15, 2023**, to ORS at the following email address: chuber@ors.sc.gov. If you are unable to respond to any of the Requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these Requests, “identify” means, when asked to identify a person, to provide the full name, business title, address, and telephone number. As used in these Requests, “address” means mailing address and business address. When asked to identify or provide a document, “identify” and “provide” mean to provide a full and detailed description of the document and the

name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, a copy of the document may be attached with the identity of the person who has custody of it. When the word "document" is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature, stored on any medium, and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

The words "you" and "your" refer to Board of Trustees of the Electric Cooperative, as well as Electric Cooperative's officers, agents, employees (past and present), representatives, successors, or any other person or persons acting for or purportedly acting on the Electric Cooperative's behalf.

Wherever in these Requests a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS THEREFORE REQUIRED:

- I. Pursuant to S.C. Code Ann. § 58-4-55(A), all responses shall be submitted under oath.
- II. These Requests shall be deemed to be continuing so as to require the Board to supplement or amend responses as any additional information becomes available.
- III. In addition to the signature and verification at the close of the responses, the witness(es), employee(s), contractor(s), or agent(s) responsible for the information contained in each response shall be indicated at the bottom of each response.
- IV. If a response to any of the Requests was previously submitted to ORS, please cite the document and page number in the response.
- V. If information requested herein is found in other places or other exhibits, reference shall *not* be made to those other places or other exhibits; instead, the information shall be reproduced, and an additional copy shall be produced in response to the Request in the appropriate numerical sequence.

- VI. If the response to any Request is that the information requested is not currently available, state when the information requested will be available and provided to ORS. This statement is not a waiver of the deadline for all other responses.
- VII. If you are unable to respond to any of the Requests, or part(s) thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.
- VIII. If you refuse to disclose any document requested herein, in whole or in part, based on any claim of privilege or immunity, identify the specific privilege or protection claimed and state the basis for the claim, identifying the pertinent circumstances with sufficient specificity to ORS to assess the basis of any such claim. If you have a good-faith objection to any of these Requests, or any part thereof, the specific nature of the objection and whether it applies to the entire Request or to a certain portion thereof shall be clearly stated. If there is an objection to any part of a Request, then the part or parts objected to should be indicated and documents responsive to the remaining unobjectionable parts should be provided.
- IX. All responses to any of the Requests below shall be labeled using the same numbers as used herein.
- X. Each Request shall be reproduced and included in front of each set of responses.
- XI. All information requested below, unless otherwise specified, shall be provided in electronic form only unless otherwise requested.
- XII. All information available in Excel spreadsheets shall be provided in Excel. All Excel spreadsheets shall be working copies with all formulas, links, and calculations intact.
- XIII. Responses containing .pdf documents must be searchable. Each electronic file must be clearly marked with the Response number.
- XIV. Where a hardcopy response is requested, the Board shall provide one paper copy/binder of all responses to ORS. The paper copy shall be bound in 3-ring binders with numbered tabs between each Request. The Request should be reproduced at the beginning of each tab for the responses included. All exhibits shall be reduced or expanded to 8 1/2" x 11" formats, where practical. This entire list of Requests shall be reproduced and included in front of each set of responses.
- XV. For every page produced to ORS that contains confidential information, the page is to be marked "CONFIDENTIAL" in the header. In addition to marking the page CONFIDENTIAL in the header, all specific information which the Board designates as confidential must also be marked by notation, highlighting, or other conspicuous means.
- XVI. Any inquiries or communications relating to questions concerning clarification of the information requested below should be directed to Christopher M. Huber, Esquire (803) 737- 5252 of ORS.

II. REQUESTS

1-1 Did the Board vote to terminate the Electric Cooperative's Chief Executive Officer, Brian Broughton? If yes, please provide the following for the Board meeting at which the vote occurred.

- a. The approved minutes from that meeting;
- b. How was the meeting noticed;
- c. When was notice of the meeting posted at a location accessible and visible to the cooperative membership on the Electric Cooperative's website;
- d. When was notice of the meeting posted at a location accessible and visible to the cooperative membership at the Electric Cooperative's principal place of business;
- e. A copy of the notice that was posted on the Electric Cooperative's website and a copy of the notice that was posted at the Electric Cooperative's principal place of business; and
- f. Were approved Board minutes detailing the actions taken at the meeting provided within ten days of their approval to cooperative members in the same manner that notice of the meeting was provided?

1-2 Was the basis for the decision to terminate Mr. Broughton a contract between Mr. Broughton and a Board member? If yes, please explain the subject of the contract and provide a copy of it.

1-3 Did the Board subsequently reinstate Mr. Broughton? If yes, please provide the following list of items for the Board meeting at which the vote to reinstate occurred. If the decision was not made through a vote at a Board meeting, please explain how the decision was made.

- a. The approved minutes from that meeting;
- b. How was the meeting noticed;
- c. When was notice of the meeting posted at a location accessible and visible to the cooperative membership on Electric Cooperative's website;
- d. When was notice of the meeting posted at a location accessible and visible to the cooperative membership at the Electric Cooperative's principal place of business;
- e. A copy of the notice that was posted on the Electric Cooperative's website and a copy of the notice that was posted at the Electric Cooperative's principal place of business; and
- f. Were approved Board minutes detailing the actions taken at the meeting provided within ten days of their approval to cooperative members in the same manner that notice of the meeting was provided?

1-4 Please explain where the Electric Cooperative posts the minutes of its Board meetings on its website as required by S.C. Code Ann. § 33-49-625.

1-5 Please explain where the Electric Cooperative posts notices of its Board meetings on its website as required by S.C. Code Ann. § 33-49-625.

- 1-6 Please provide a copy of the bylaws currently in effect for the Electric Cooperative.
- 1-7 Please provide an organizational chart for the Electric Cooperative and its officers and employees.
- 1-8 Please describe all actions the Electric Cooperative has taken and intends to take in response to the complaints that led to the initiation of this inspection, audit, and examination.
- 1-9 Has Lynches River conducted any investigations in the past twelve (12) months into the current Board of Trustees regarding allegations of unethical conduct, use of position for personnel gain for themselves or for neighbors and friends, violations of the bylaws, and violations of policy? If yes, please state whether the result of the investigation led to any corrective actions.
- 1-10 If Lynches River has an ongoing investigation, please update ORS upon conclusion as to any identified violations of S.C. Acts 56 (2019).

s/Christopher M. Huber
Christopher M. Huber, Esquire
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
Phone: (803) 737-5252
Email: chuber@ors.sc.gov

November 1, 2023