

MINUTES OF MEETING OF THE BOARD OF DIRECTORS
BARC ELECTRIC COOPERATIVE

A meeting of the Board of Directors of BARC Electric Cooperative was held on July 15, 2020, via phone and videoconference by use of the Microsoft Teams platform.

All Directors, the Chief Executive Officer and the General Counsel of BARC Electric Cooperative were present.

The first order of business was the election of officers to the board of directors. By motions duly made and seconded, Keith Swisher was elected as President, Mike Sandridge was elected as Vice President, John Quantz was elected as Secretary/Treasurer, and Gary Johnson was elected as Assistant Secretary/Treasurer.

The executive session was deferred to the end of the meeting.

Mr. Swisher and Mr. Keyser reported that no meeting of the Old Dominion Electric Cooperative (“Old Dominion”) Board has been held since the last meeting. A finance committee meeting was held on July 14, 2020. Margin shortfall due to weather and the pandemic was discussed but no action was taken.

Mr. Keyser presented the CEO’s Report. He reported that margins improved against budget again in June, and suggested that a warm July should help reverse some of the winter and spring revenue shortfalls. He provided updates on the strategic planning process, the Millboro solar project and Bustleburg solar project. Mr. Keyser indicated that the strategic plan would be the subject of discussion for the August Board meeting. The Solarize BARC project is moving forward positively. The opportunity to match community non-profit donations for the Co-Bank sharing success program has been increased to \$10,000 for up to four recipients this year, and management recommended that \$3,000 be donated to each of the three public school systems

that are served by the Cooperative, Bath, Rockbridge and Alleghany counties, and \$1,000 be contributed to the VMDA scholarship foundation. The management recommendation was approved by motion duly made and seconded.

Mr. Keyser provided the Communications Report. He reported on increased communications, announcements and marketing activities in June, 2020. Social media has resulted in increased communications with the members.

Mr. Cook provided the Finance Report. Year-to-date margins are \$65,414, \$67,209 over budget. The key reason for this is that controllable costs are \$166,653 under budget. Equity is 29.58% and long term debt is 54.1% of total assets. The expansion of the fiber system is the reason for this reduction in equity. BARC Connects continues to expand and remains on budget. Reliable Energy has over \$1.8 million in total assets and \$147,000 in equity.

Mr. Lowry provided the Engineering and Operations Report. Work is continuing on right-of-way maintenance and build out of the fiber system. The Homestead project has been completed and the new circuit there is now active. The fiber project has moved into Millboro and the drop crews are getting 8-10 drops installed per day in both Millboro and Rockbridge counties. Phase One of the project has been nearly completed. Nine new services were released to construction in June, increasing the year-to-date to 47. There were no cyberattacks during the month of June. Mr. Keyser added to the discussion on the importance of the increased right-of-way work, noting that changing customer expectations and changes in weather patterns has dramatically increased the amount of right-of-way maintenance that is required.

Mr. Keyser provided the Network Operations Report. Two outages in internet service highlighted the report. On June 25, there was an outage in Rockbridge County determined to have been caused by rifle shots. On June 30, there was an outage in Rockbridge which was

determined to be caused by a vehicle driving over an underground vault. The network continues to expand and demand for services has been significant. For the month there were 128 new connections, which included two commercial connections. The customer count of June 30, 2020, is 1,636 customers, which includes 64 commercial connections.

Mr. Cook provided a report on increases in the premium for Federated Insurance, for general company insurance and workers compensation. The premium for the general company insurance is increasing by 9.2%. The premium for workers compensation insurance is decreasing 8.2%. By motion duly made and seconded, the board approved the management recommendation to renew the general company and workers compensation insurance policies.

There were no upcoming meetings to report.

There was no VMDA Report.

Mr. Keyser provided the Safety Report. There were no lost time accidents in June, bringing the total hours worked since the last lost time accident to 304,978. There was one minor vehicle accident. The report was approved by motion duly made and seconded.

The minutes for June 2020 were approved by the Board upon motion duly made and seconded.

New members, cancellations, estate refunds, and accounts payable were all approved as presented, upon motion duly made and seconded.

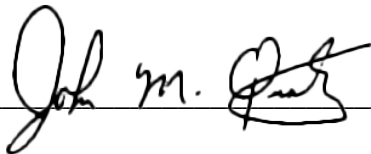
In other business, the annual meeting proxy and mail in ballot drawings were made for \$150 in free electricity in each district. The winners were: District 1, Robert Stull, 1932 Tye River Turnpike, Versuvius, Virginia 24483; District 2, Flora Sorrells, 430 Morningside Drive, Lexington, Virginia 24450; District 3, James Roberts, 668 Stoney Run Road, Buena Vista, Virginia 24416; District 4, Emma Hicklin, 33349 Mountain Valley Road, Millboro, Virginia

24460; District 5, James Rexrode, 83 Pheasanty Hollow Road, Burnsville, Virginia 24487;
District 6, Rose Taylor, 945 River Road, Millboro, Virginia 24460; District 7, James Gordon,
4775 Hot Springs Road, Hot Springs, Virginia 24445.

A brief executive session was held but no action was taken at the end of the session.

There being nothing further to come before the Board, the meeting was adjourned.

Respectfully submitted,


Secretary

Approved: