

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 November 18, 2020 via Microsoft Teams.

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

An executive session was held. Upon return to regular session, the Board approved management's recommendation, by motion made and duly seconded, to execute on Project Gigabit.

Mr. Swisher and Mr. Keyser presented the Old Dominion Electric Cooperative ("Old Dominion") Report. They reported that the Old Dominion's credit rating had been raised to A+ and further, that wholesale energy costs will decrease on January 1, 2020.

Mr. Keyser presented the CEO's Report. The year continues to be marked by depressed commercial electric sales due to the pandemic. There are 1,044 delinquent accounts, resulting in an arrearage of \$411,000 and the Cooperative will soon go about the process of applying for CARES Act funding through the State Corporation Commission to recover some of those delinquencies. The in-service date for the Millboro-to-Kool Dri solar project has been extended to October. More information will be provided in the December meeting about the Bath County Public School inverter issue. The report concluded with reviewing strategic planning and the 2020 goals.

Mr. Keyser then presented the Communications Report. He reported on recent communications and press releases from the Cooperative and on the continued success that has

been achieved communication with members through social media. There was also a discussion of continued opportunities to connect with members and promote the BARC brand.

Mr. Cook provided the Financial Report. Year-to-date margins for the Cooperative are \$46,267, \$179,420 under budget. They reflect the reduced electric sales due to mild winter weather and the pandemic. Both controllable and fixed costs are under budget. Equity is 28.69% and long term debt is 58.1% of total assets. BARC Connects continues to expand and remains on budget. Reliable Energy has over \$3.3 million in total assets and \$164,186.98 in equity.

Mr. Lowry provided the Engineering and Operations Report. Construction remains focused on pole changes and new services. Fiber expansion continues in both Bath and Rockbridge counties. Twelve new electric services were released to construction, increasing the year-to-date to 97. There were no cyber-attacks in October.

Mr. Keyser provided the Network Operations Report. There were 119 new customers added in September, notable among those were Southern Virginia University, Parkway Apartments, the Pinnacle Townhomes, and the Lexington Animal Clinic. Both residential and commercial subscribers are ahead of goals.

Mr. Keyser presented a report on BARC's efforts to lead the Virginia, Maryland, Delaware Association ("Association") in development of experimental pilot rates for electric vehicle charging. BARC, CVEC and A&N have all volunteered to be the first co-ops to develop experiment pilot rates. Mr. Keyser outlined various options and the analysis of each. By motion duly made and seconded, the Board approved the two block rate design as presented. Mr. Keyser advised that the rate design still has to be approved by the State Corporation Commission. By motion made and duly seconded, the Board authorized the Secretary/Treasurer

to execute a resolution endorsing and approving the two block rate schedule as a voluntary rate schedule intended for electric vehicle owners, but open to all member consumers.

Mr. Keyser presented a report on the Power from the Heart program. Counsel was instructed to research the best way to move forward with the program.

Mr. Cook provided a report on patronage retirement. He presented options for 2020 retirement, and by motion duly made and seconded, the Board voted that there would be no general retirement this year due to the financial condition of the Cooperative as a result of the pandemic.

Mr. Keyser reported that the only upcoming meeting is a Budget and Finance Committee meeting which will occur on December 10, 2020, at 3:30 p.m.

Mr. Sandridge provided the Association Report. The Association Board met via conference call on October 26, 2020. Operating revenues and costs are down for the Association, though there is a \$91,000 margin. The budget for the Association was approved without an increase in dues. The CEO search is underway.

Mr. Keyser provided the Safety Report. There were no lost time or vehicle accidents in October. The total number of hours since the last lost time accident is now up to 358,848. The report was approved by motion duly made and seconded.

The minutes for October 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 matters, the Board discussed joining a new association for those electric cooperatives in Virginia that provide broadband services and authorized the CEO to execute all

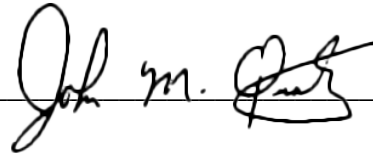
necessary documents to join if the monthly dues were reduced to \$500. Mr. Lewis and Mr. Keyser were provisionally nominated to the board of the new association, in the event that BARC joins.

By motion duly made and seconded, the Board approved providing the employees with a \$50 gift card in lieu of turkeys or hams this Christmas.

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

Respectfully submitted,

Secretary

A handwritten signature in black ink, appearing to read "John M. Gault", written over a horizontal line.

Approved:

A handwritten signature in black ink, appearing to read "Keith L. Lusk", written over a horizontal line.