

## **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 21, 2021, at BARC's Highland Belle facility in Rockbridge County, Virginia.

Mr. Johnson was not present due to illness. All other 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 Asst. Secretary/Treasurer.

There was no executive session.

There were no members who addressed the board.

Mr. Swisher reported that there had been no meeting of the Old Dominion Electric Cooperative ("Old Dominion") Board held since the last meeting.

Mr. Keyser presented the CEO's Report. The report consisted of major policy proposals from the G6, a subcommittee of the government affairs committee of the Virginia, Maryland and Delaware Association of Electric Cooperatives.

Mr. Keyser provided the Communications Report. He reported that on June 22, 2021, a number of state legislators and industry representatives met at Highland Belle to discuss challenges and needs related to rural broadband deployment. He reported on broadband and marketing and social media interactions. Broadband and social media provide opportunities for the Cooperative to expand conversations and business opportunities throughout the membership.

Mr. Cook provided the Finance Report. Year-to-date margins are \$1,562,403, nearly \$1.2 million over budget. Both controllable and fixed costs have remained under budget while revenues have been nearly \$900,000 over budget. Equity is 27% and long term debt is 54% of total assets. The expansion of the fiber network continues to add plant to the balance sheet, which has the effect of reducing equity, but all forecasts suggest that this trend will reverse over the course of time when major construction ends. Reliable Energy has about \$3 million in assets.

Mr. Botulinski provided the Engineering and Operations Report. Field staking is underway for upgrading the transmission line from Millboro to Kool Dri. The town of Goshen broadband project continues to move forward as more signups come in. Six new electric services were released to construction in June increasing the year-to-date to 64. There were no cyber-attacks during the month of June.

Mr. Keyser provided the Subsidiary Activity Report. BARC Connects had a good month, connecting 123 new residential and 9 commercial customers. There are a total of 3,013 subscribers and pending service orders. Both residential and commercial new customer activities are ahead of goals. One new solar deal was made under the Solarize BARC program in July.

Mr. Cook reported on proposed insurance premium changes from Federated Insurance. The premium for the general company insurance, which includes an all risk blanket, cyber liability, business auto policy, commercial umbrella and director and officer and manager coverage is proposed to increase by 6.7% or \$7,059 per year. The worker's compensation premium will decrease by 0.4% or \$275 per year. By motion duly made and seconded, the board approved the renewal of both Federated insurance policies.

Mr. Botulinski reported on the Cooperative safeguard payment program. Members who are delinquent will be given notice during the July/August billing cycles of the implementation of the 24-month interest free repayment plans.

Mr. Cook provided the updated 10-year financial forecast for the Cooperative. The forecast makes certain assumptions with respect to revenue increases and the cost of labor and taxes, together with loans. The Compass Forecast shows a rebound in equity as the broadband project expands with continued growth.

Mr. Keyser recommended a proposal for a CFC loan to finance the broadband build out into certain areas where BARC Connects is obligated by the FCC to provide service. By motion duly made and seconded, the Board approved the management recommendation to proceed with the CFC loan as recommended.

Mr. Keyser then recommended a board resolution updating a prior resolution related to BARC's electric vehicle pilot rate tariff. By motion duly made and seconded, the board approved the resolution. The motion authorized Mr. Quantz to sign the resolution.

Mr. Keyser reported that the annual VMDA and ODEC meetings will occur on July 26-27 and the VMDABC Annual Meeting and Fiber Expo will occur on July 27-28.

There was no VMDAEC Report nor was there a report from VMDABC.

Mr. Keyser gave the Safety Report. There were 11,957 hours worked in the month of June without accident, bringing the total number of hours worked since the last lost time accident to 453,326. There was one minor vehicle accident. By motion duly made and seconded, the Board accepted the Safety Report.

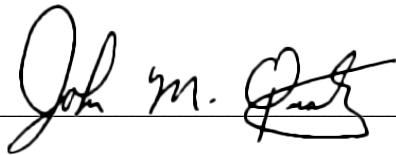
The minutes for June 2021 were approved by the Board upon motion duly made and seconded.

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

In other business, drawings were made for the \$150 bill credit for return of annual meeting proxies. The winners were: District 1 – L. Wayne Humphries, Raphine, VA; District 2 – Freddie Rodgers, Lexington, VA; District 3 – John Harlow, Rockbridge Baths, VA; District 4 – Betty McGlothin, Millboro, VA; District 5 – Holli McVeigh, Williamsville, VA; District 6 – Peacock Allen, Hot Springs, VA; District 7 – Enrique Del-Valle, Hot Springs, VA.

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

Respectfully submitted,

  
Secretary

Approved:

  
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