

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 October 20, 2021, at the Cooperative's office in Rockbridge County, Virginia.

Directors Swisher, Sandridge, Quantz, Ford, Black, and Lewis were present, together with the Chief Executive Officer and the General Counsel of BARC Electric Cooperative.

No member was present, in person or virtually, to address the Board.

The President tabled the executive session until the end of the meeting.

Mr. Swisher and Mr. Keyser presented the Old Dominion Electric Cooperative ("Old Dominion") Report. The Old Dominion board met on October 11. The Cooperative's solar projects remain on track and at the top of the queue. Mr. Keyser noted that there were discussions related to inflationary pressures and the increasing costs of energy and natural gas the forward markets.

Mr. Keyser presented the CEO Report. He reported that September was a positive revenue month and that demand for broadband service remains high. Further, BARC Connects is operating very close to the budget after adjusting for the delay in support from the Rural Digital Opportunity Fund. He reported on several strategic plan updates. There was a brief discussion of supply chain problems and efforts the Cooperative is making to avoid material shortages. He reported that COVID arrearages total nearly \$780,000 and the two-year repayment program has begun.

Mr. Keyser next provided the Communications Report. He reported that 144 electric surveys had been sent out and 10 were returned. There were 128 broadband surveys were sent out with 12 returned. The surveys returned reported overall satisfaction with the services. He

also reported on marketing updates and social media activity. He reported that direct mail has had significant positive effect on new broadband signups.

Ms. Perdue provided the Finance Report. She reported that year-to-date margins are \$2,125,722, \$1,377,077 over budget. Equity is 25.78% and long term debt is 51.02% of total assets. She reported that BARC has been in the black for every month of calendar year 2021, the first time that has occurred possibly ever in the history of the Cooperative. One of the reasons for the positive growth has been the performance of the subsidiaries. BARC Connects has continued to expand and is operating near the projected budget. Reliable Energy now has over \$2.9 million in total assets.

Mr. Botulinski provided the Engineering and Operations Report. Biologist field work is complete for the transmission line rebuild between Millboro and Kool Dri and the Bratton's Run substation project. Approval from the Army Corp. of Engineers and U.S.F.W.S. is pending. The revised SGIA for the Bustleburg solar project has been executed. The downtown Lexington main line fiber build is complete. Construction is underway in north/south Buffalo, McElwee Road/Davis Hill and Cornwall East areas. Most of the Goshen main line project construction is complete. Eleven new electric services were released in September and 13 in August bringing year-to-date services released to 102. The ASPLUNDH crew is fully staffed with 30 personnel performing right of way maintenance.

Mr. Keyser provided the Subsidiary Report. BARC Connects remains ahead of subscriber goals for the month. There were 165 new residential subscribers and six new commercial subscribers, bringing the total to 3,145 residential customers and 167 commercial customers. The take rate is 44%. Solar roof top sales with Solarize BARC are nearing \$1 million.

Ms. Perdue presented an evaluation of proposals for auditing services. Three requests for proposals were sent out but only two firms responded. Upon motion duly made and seconded, the Board approved the management recommendation that Adams, Jenkins and Cheatham, P.C., the low bidder, be approved.

Upon motion duly made and seconded, that Board approved resolutions to proceed with an approximately 5.7% electric rate increase to be spread over two years. The Board has previously considered the matter in the September board meeting.

Mr. Keyser presented a report on renewal of employee dental, health and vision insurance. Upon motion duly made and seconded, the Board approved management's recommendations.

Mr. Keyser presented resolutions with respect to the CFC and RUS loans to fully fund fiber construction. Upon motion duly made and seconded, the Board approved the resolutions and authorized the officers of the Board to execute the resolutions as necessary.

Mr. Keyser provided a summary of upcoming meetings. The Budget and Finance Committee of the Board will meet on December 9, 2021. The precise location of the meeting will be determined.

There was no Virginia, Maryland, Delaware Association ("VMDA") report.

Mr. Keyser presented the Safety Report. There were no lost time accidents, bringing the total hours since the last lost time accident to 484,169. There was one motor vehicle accident. The Safety Report was accepted by motion duly made and seconded.

The minutes for the September 2021 regular meeting together with minutes of the two special meetings which have occurred since the regular meeting were approved by the Board upon motion duly made and seconded.

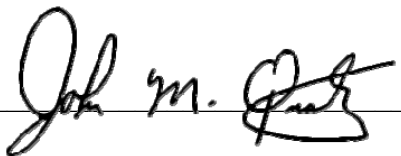
New members, cancellations, estate refunds, and accounts payable were all approved as presented upon motion duly made and seconded.

In other business, Mr. Keyser reported that there are two high mileage GMC vehicles beyond economic repair and suggested they be donated to a local fire and rescue department. The Board approved this action by consensus.

There was a brief executive session. There was no action taken at the conclusion of the executive session.

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

Respectfully submitted,

Secretary 

Approved: