

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 March 16, 2022, at the Cooperative Headquarters at Highland Belle.

All Directors, the Chief Executive Officer and the General Counsel of BARC Electric Cooperative were present. Mr. Black was present via telephone.

There were no members signed up to speak to the Board either physically or virtually.

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

Mr. Swisher and Mr. Botulinski presented the Old Dominion Cooperative (“Old Dominion”) Report. The Old Dominion board meeting was held in person on March 14-15, 2022. An electricity rate increase is occurring amid concerns of worldwide energy cost increases and the expectations that those costs will increase the cost of electricity. A patronage check and credit are both on the way.

There was no Virginia, Maryland, Delaware Association (“Association”) Report.

Mr. Quantz, Mr. Sandridge and Mr. Botulinski provided an update on the annual NRECA meeting. All three reported on the many and varied presentations they attended at the meeting. They reported that there was general consensus among cooperative directors nationwide that the power supply needs to stay diversified. They reported that there was a discussion of the cooperatives’ ability to recapture stranded costs upon premature closing of fossil fuel plants. They also reported that there was a general discussion of the changing nature of the workforce as a result of the pandemic experience.

Mr. Botulinski provided the CEO Report. The financial performance of both the electric and broadband services have remained strong and continue to provide positive returns, even in

this pandemic environment, and increase net metering caps in unlimited amounts. He reported that the rate case before the State Corporation Commission will be heard in late March or later. New rates, which occur as a result of the case, for the PCA portion of the bill must be implemented on January 1, 2023, in order for the bill calculation to remain accurate. He reported that television divestment will be complete on June 30, 2022. The annual meeting will occur at Millboro Elementary School on July 20, 2022. Directors must be elected in Districts 1 and 5 this year. Elections must occur in both districts no later than May 31, 2022. He provided an update on the Highland Belle renovation. Additional asbestos has been discovered but the current completion timeline is still the end of September, 2022.

Mr. Botulinski made a report on data backup and recovery. By motion made and duly seconded, the Board approved the management recommendation to enter in to a three year contract with ALI, pending legal review of the contract document.

Ms. Blackwell provided the Communications Report. She updated the Board on arrangements for the annual meeting and on communications and marketing activities. She advised the Board about the district election advertising in *Cooperative Living*. She provided information on recent social media interactions and website activity.

Ms. Perdue presented the Finance Report. Total year-to-date margins are \$135,820 over budget, a total of \$1,203,710. Key to that result so far is that fixed costs are nearly \$238,000 under budget. Continued buildout of the broadband network has continued to drive down equity, as expected. Equity is 25.19% and long term debt is 66.09% of total assets. BARC Connects continues to expand and is on budget. To date, BARC Connects has invested over \$59 million in physical plant and in February produced a total margin of \$104,522. That margin is driven by sales and internet service. Reliable Energy has nearly \$294,000 in equity.

Mr. Botulinski provided the Engineering and Operations Report. Environmental reviews have been updated and provided to RUS for approval. Construction on the Millboro Kool Dri transmission/distribution line is expected to begin in late May to early June. The Bratton's Run substation relocation has been finalized. Right of way work continues in the Effinger to Big Hill project zone with a smaller crew working on Spring Valley and Buffalo Creek. Herbicide treatment for 2022 is targeting the April Connections publication. There were no new cyber attacks detected.

Mr. Botulinski provided the Subsidiary Activity Report. Forty-four new residential customers and three commercial customers were added, bringing the total number of subscribers as of March 10, 2022, to 3,607. That includes 188 commercial subscribers. There are eight active consumers in various stages of development with Solarize BARC which has \$21,988 in referral earnings to date.

Mr. Botulinski reported that there are four upcoming meetings. First, the VMDABC Fiber Operations Meeting will occur on March 21, 2022. The VMDABC Board of Directors will meet on March 22, 2022. The VMDAEC Board and Strategic Planning Meeting will occur in Pymira, on March 25, 2022. The NRECA Legislative Conference will occur on May 1-5, 2022, in Washington, D.C.

Mr. Botulinski provided the Safety Report. There were no lost time accidents in February, bringing the total number of hours worked since the last lost time accident to 526,545. There was one minor vehicle accident. By motion duly made and seconded, the Board accepted the Safety Report.

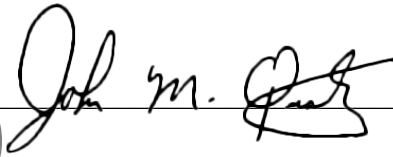
The minutes for February 2022 and the Special Meetings were approved by the Board by motion duly made and seconded.

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

A brief executive session was held. No action was taken as a result of the executive session.

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

Respectfully submitted,

secretary  _____

Approved:
