

MINUTES OF MEETING OF THE BOARD OF DIRECTORS

BARC ELECTRIC COOPERATIVE

A meeting of the Board of Directors of BARC Electric Cooperative was held by video and teleconference on June 17, 2020.

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

The Board received the 2019 audit presentation. The audit was largely performed remotely due to the pandemic but still resulted in an unmodified opinion. The auditors noted the increased investment in the physical plant as a result of the broadband project as well as a strong income statement. The report was accepted by the Board upon motion duly made and seconded.

Mr. Swisher and Mr. Keyser provided the Old Dominion Electric Cooperative (“Old Dominion”) Report. The Old Dominion board meeting was held via videoconference the week of June 8, 2020. A combination of the effects of the pandemic with the mild winter resulted in declining revenues for the Old Dominion as well as its member cooperatives. In other news, Mr. Swisher reported that board members received a report about the Wildcat Point generating station not performing as optimally as originally forecast, which has pushed out the payback of the overall investment.

Mr. Quantz provided the Secretary’s Report. He reported that the district meeting was held for District 3 on May 25, 2020, at Bethany Lutheran in Rockbridge County. A quorum was not present, and therefore, Keith Swisher was re-nominated for the board from District 3.

Likewise, a meeting was held for District 4 on June 5, 2020, at BARC Headquarters in Millboro. No quorum was present and Albert Lewis, IV was re-nominated for the board from District 4.

Mr. Sandridge provided a report from the Employee Relations Committee. The Employee Relations Committee met on June 11, 2020, to review economic and other factors that impact the annual cost of living adjustment. After considering various financial metrics and economic factors, the committee recommended a 2% cost of living adjustment, resulting in an overall increase that fell \$8,000 below the total amount budgeted for the year. The recommendation was unanimously approved by the Board.

Mr. Keyser presented the CEO's Report. He reported that year-to-date net margins are back ahead of budget, albeit just slightly. Revenues are down against the budget due to the pandemic and mild weather, but lower power costs and controlling other costs has improved the budgetary situation and offset the reduced revenues. He reported that two big electric projects, that of building from the Warm Springs substation to the Millboro substation, and rebuilding the electric distribution system at The Homestead Resort, are close to wrapping up. The next two big projects will be the Holocene/Kool Dry solar line rebuild and the Bratton's Run substation relocation. In addition, the Solarize BARC program is moving forward with around 100 consumers in various stages of development.

Mr. Keyser next provided the Communications Report. He reported on May announcements, including new job postings for a network engineer and a customer service representative, as well as recent marketing activities, including sending of over 4,000 emails to promote the Solarize BARC rooftop solar loan program.

Mr. Cook provided the Finance Report. He reported that year-to-date margins are \$117,747, just \$3,867 over budget. Reiterating Mr. Keyser's comments, he explained that controllable costs are \$135,123 under budget. Equity is 30.16% of total assets and long term debt is 54% of total assets. BARC Connects continues to expand, with EBITDA \$3,000 better

than budget. Reliable Energy has over \$1.7 million in total assets, and nearly \$143,000 in equity.

Mr. Lowry provided the Engineering and Operations Report. Construction during the month of May focused primarily on pole changes and new services. Work is finishing up on The Homestead Resort project. Underground replacements have taken place on the Warm Springs Mountain project. Fiber crews continue to be busy, presently working on the Bird Forest extension and getting 8-10 drops installed each day in both Millboro and Rockbridge. Six new electric services were released to construction, bringing year-to-date services to 38. There were no cyber-attacks during the month of May.

Mr. Keyser presented the Network Operations Report. An offer has been made to a senior network engineer to replace Mr. Sickler. The candidate has undergone three rounds of interviews and reference and background checks have been completed. In May, 80 residential installations were made and 9 commercial installations were made, bringing the total customer count as of the end of May to 1,508. This includes 62 commercial customers.

Mr. Keyser reported that there are no upcoming meetings.

There was no VMDA Report.

Mr. Keyser provided the Safety Report. There were no lost time accidents or motor vehicle accidents in May. The total hours since the last lost time accident are now 290,946. The report was approved by the board by motion duly made and seconded.

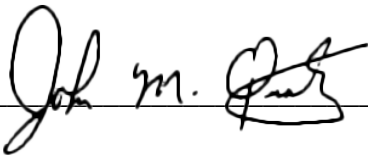
The minutes for May 2020 were approved by the Board upon motion duly made and seconded.

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

A brief executive session was held and no action was taken as a result thereof.

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

Respectfully submitted,


Secretary

Approved: