

## **MINUTES OF MEETING OF THE BOARD OF DIRECTORS**

### **BARC ELECTRIC COOPERATIVE**

A meeting of the Board of Directors of BARC Electric Cooperative was held via Microsoft Teams on October 21, 2020.

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

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. On October 12-13, Old Dominion held a two-day strategic planning meeting via Zoom. There was broad discussion of issues relating to the cost, supply and distribution of wholesale power. Mr. Keyser noted that part of the retreat focused on whether Old Dominion should adopt carbon reduction goals, which the board determined should occur and directed management to return to the board with a recommendation. Additionally, Mr. Swisher noted that a significant reduction in the cost of energy is expected in the new year.

Mr. Keyser presented the CEO’s Report. He explained that the pandemic continues to depress commercial energy sales and is directly leading to below-budget operating and net margins. Lower-than-budgeted fixed costs and controllable costs, along with above-budgeted BARC Connects revenues, have helped, but those items have not been enough to fully counteract the effects of the pandemic and the mild winter weather. Fiber projects are continuing to be reshuffled to accommodate confirmed and potential grant opportunities. Total arrears have increased to \$388,000, representing 1,089 delinquent accounts. Mr. Keyser explained that soon the Cooperative may be able to take advantage of new legislation to recover some or all of these delinquencies.

Mr. Keyser next presented the Communications Report. He reported on marketing updates and social media account activity. He also discussed opportunities to continue to provide information and communication opportunities with the members. Lastly, he provided a briefing on the strategic marketing plan and discussed BARC Connects' progress in the first month of the new plan.

Mr. Cook provided the Finance Report. He reported that year-to-date margins are \$48,507, \$96,845 under budget. Controllable costs are \$12,105 under budget and fixed costs are \$320,378 under budget. Equity is 28.95% and long term debt is 58.44% of total assets. BARC Connects continues to expand broadband service to new subscribers. Reliable Energy has almost \$3.3 million in total assets and \$160,391 in equity.

Mr. Lowry provided the Engineering and Operations Report. Construction since the last meeting has been primarily focused on pole changes and new services. Fiber construction in Bath County and Rockbridge County is continuing. Fourteen new services were released to construction in September, increasing the year-to-date to 85. There were no cyberattacks during the month of September.

Mr. Keyser provided the Network Operations Report. The overall health of the BARC Connects network remains stable. There were 131 new residential installs and 33 new commercial installs completed in September bringing the total subscriber count to 2,111.

Mr. Keyser presented a report on renewal of employee dental and health insurance and a new vision insurance plan. Management recommended that dental insurance with Anthem continue with a zero percent increase in total premiums. By resolution, upon motion duly made and seconded, the board accepted the management recommendation. Management next recommended a revised plan design for the Cooperative's defined contribution health insurance program with Aetna. By resolution, upon motion duly made and seconded, the board accepted management's recommendations. Lastly, management recommended a new voluntary employee paid vision plan. By resolution, upon motion duly made and seconded, the board accepted the management recommendation.

Mr. Keyser provided an update on new and upcoming meetings. The budget and finance committee of the board will meet via Microsoft Teams at 3:00 p.m. on December 10, 2020.

There was no Virginia, Maryland, Delaware Association (“VMDA”) report for the month.

Mr. Keyser presented the Safety Report. There were no lost time accidents, bringing the total hours since the last lost time accident to nearly 346,000. There were two minor vehicle accidents. The Safety Report was accepted by motion duly made and seconded.

The minutes for September, 2020, were approved by the board upon motion duly made and seconded.

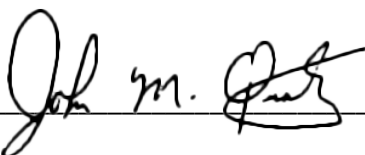
New members, cancellations, estate refunds, and accounts payable were all approved as presented upon motion duly made and seconded.

In other business, Mr. Quantz reported that the regional meeting for Region 1 was conducted via Zoom as part of the NRECA regionals week. A notable discussion in the resolutions meeting occurred related to use of herbicide for vegetation management. The resolution that passed the meeting continues to recognize the importance of herbicide treatment in effective vegetation management.

After an executive session, the performance and compensation package of the CEO was reviewed and discussed by the board with the CEO.

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

Respectfully submitted,

  
Secretary

Approved:

  
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