

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 December 16, 2020, via Microsoft Teams.

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

The executive session was deferred 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 via conference call during the second week of December and the annual budget was approved.

Mr. Quantz provided the report from the Budget and Finance Committee. His presentation began by discussing the 2021 accrual rate for bad debt expense. By motion duly made and seconded, the Board approved the committee recommendation to keep the same accrual rate as 2020. He then presented an accounting of the inactive accounts with balances subject to write off. By motion duly made and seconded, the Board approved the committee recommendation to write off a net of \$20,037.36 in bad debt. Mr. Quantz then gave reports on budgets for the construction work plan, fleet leases, general plant, Reliable Energy, BARC Connects and the electric cooperative. The construction work plan budget was presented as a place holder pending Board approval of the construction work plan in January. The budgets were approved as presented by motion duly made and seconded.

Mr. Keyser provided the CEO Report. He began by pointing out that a combination of reduced energy sales and higher-than-budgeted controllable costs for November resulted in below-budgeted November margins. Controllable costs were higher in large part due to two

wind storm events. He indicated that the fiber crews have been busy completing CARES Act projects before the December 25 deadline. He also pointed out that on December 8, BARC was awarded \$231,519 from the SCC to provide direct assistance to customers with accounts over 30 days in arrears. He provided updates on the Solarize BARC, Holocene solar, and the Bath County Public School inverter projects.

Mr. Keyser then presented the Communications Report. He reported on recent communications and marketing activity from the Cooperative. He reported that a new online customer satisfaction survey process is now in use. The results for November were that a 90% of electric respondents and nearly 100% of broadband respondents expressed they were either satisfied or extremely satisfied with their services.

Mr. Cook presented the Finance Report. Mr. Cook reported that year-to-date margins are \$324,015 under budget. Key contributors to this budget variance are controllable costs, which are almost \$4,500 over budget, as well as the previously mentioned under-budget revenues. On the positive side, Mr. Cook reported that fixed costs are \$370,000 under budget. Equity is 27.61% and long term debt is 56% of total assets. BARC Connects continues to expand and remains on budget. Reliable Energy has \$3.2 million in total assets and \$166,635.23 in equity.

Mr. Lowry presented the Engineering and Operations Report. Work continues primarily on pole changes, new services and focusing on the CARES Act projects. Twelve new services were released to construction in November increasing the year-to-date total to 109. There were no cyber-attacks detected during the month of November.

Mr. Keyser presented the Network Operations Report. There were 104 new subscribers connected in November, including three new commercial accounts. There are 2,334 total

subscribers, including 109 commercial subscribers. Subscribers for both residential and commercial accounts are above year-to-date goals.

Mr. Lowry provided a report on proposals for the purchase of ductile iron poles for the Millboro substation to Kool Dri reconductoring project in Millboro. By motion duly made and seconded, the Board approved management's recommendation to accept a bid from McWane subject to the Holocene contract amendment being executed by both ODEC and BARC.

Mr. Keyser then gave a report on activity under the Power from the Heart Program. Mr. Keyser recommended that new terms and conditions be drafted to encourage more use of the program by members in need. By motion duly made and seconded, the Board approved the management recommendation that Mr. Keyser write a new set of terms and conditions for the Power from the Heart program for future Board approval.

Mr. Keyser then reported that there were no upcoming meetings.

Mr. Sandridge reported that the Virginia, Maryland, Delaware Association, ("Association") board would meet in January to select a new CEO to succeed Richard Johnstone, who is retiring.

Mr. Keyser provided the Safety Report. There were no lost time accidents, bringing the total number of hours worked since the last loss time accident to 368,764, covering 491 days. There was one vehicle accident. The report was approved by motion duly made and seconded.

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

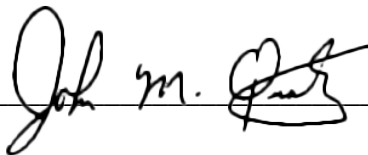
New members, cancellations, estate refunds and accounts payable were all approved as presented upon motion duly made and seconded.

In other matters, Mr. Keyser and Mr. Lowry reported that several older decommissioned vehicles had been subject to a blind auction for sale. Upon review of all bids, the high bidder in all cases is Jack Lindsay. Mr. Lindsay's bid on a 2008 Chevy 350 HD was \$2,600, on a 2010 GMC 2500 HD was \$5,001.25 and on a 2013 GMC 2500 HD was \$5,257.99. On a fourth truck there were no bids. The Board approved acceptance of the bids upon motion duly made and seconded with the provision that if Mr. Lindsay backs out of any of the bids, the trucks will be awarded to the second highest bidder.

There was a brief executive session after which no action was taken.

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

Respectfully submitted,

Secretary 

Approved: