

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 February 17, 2021 via Microsoft Teams. All Directors and the Chief Executive Officer were present. The General Counsel was absent due to his legislative obligations as a member of the Virginia Senate. Aaron Christensen of Smith & Christensen, counsel to the Cooperative, was in attendance for a portion of the meeting.

By motion duly made and seconded, the Board moved into executive session.

Upon exiting executive session, Mr. Swisher read a brief opening statement and welcomed three members who wished to address the board, Melanie Ryder, Angel Grimm and Laura Deel. Each member raised their individual concerns with regard to recent for-cause terminations of former Cooperative employees Jamie Lowry, Donnie Altizer, Stephen Nelson, Ernie Deel and Andrew Gilliam. At the conclusion of the member comment period, Mr. Swisher called for a five minute break.

By motion duly made and seconded, the Board moved back into executive session. Upon exiting executive session, Mr. Swisher presented the Old Dominion Electric Cooperative (“Old Dominion”) Report. The Old Dominion board met on February 8, 2021. Old Dominion publicly announced carbon dioxide reduction goals, making it the second G&T in the country to announce a net zero carbon goal. Mr. Keyser has been named the chairman of a new strategic electrification board committee. Despite mild weather and the effects of the pandemic, Old Dominion’s final year-end margins exceeded budgeted, resulting in a margin stabilization adjustment for all members.

Mr. Keyser provided the CEO's Report. A consistently cold January led to electric margins that significantly exceeded budget. Accounts receivable continues to grow due to the state-imposed electric disconnect moratorium. Progress is well underway on the Cooperative's strategic planning efforts. The first results of the key performance indicators (KPIs) were presented, including financial targets, strategic plan goals, BARC Connects subscriber goals, safety, customer satisfaction and reliability. Lastly, Mr. Keyser presented updates on RDOF, battery and solar projects, and the cost of service study.

Mr. Keyser presented the Communications Report. The Cooperative was recently highlighted in Virginia Business magazine. Efforts are ongoing to solicit attestation forms from members in order to apply CRF assistance. BARC Connects' marketing strategy is in the black with new revenues generated now exceeding marketing costs. Marketing materials were sent to additional VATI project areas. Social media efforts continue and the Cooperative remains active and engaged with members across several platforms.

Mr. Cook presented the Finance Report. January margins for the Cooperative were \$646,009, exceeding budgeted margins by \$246,954. Controllable costs were \$110,964 under budget for the month. Equity held steady at just under 28%, and long-term debt ticked down slightly to 53.3% of total assets. BARC Connects EBITDA was \$208,180, which was \$16,066 less than budget. Reliable Energy finished the month with \$1,877 in net income.

Mr. Keyser provided the Engineering and Operations Report. Several temporary appointments have been made to fill vacant positions. The final stamped construction work plan has been submitted to RUS. Fiber construction continues in Estaline as well as the Effinger-Glasgow VATI build. Fourteen new services were released to construction in January. Right-of-way crews for Asplundh were working on the North Buffalo circuit and BARC crews worked on

both the Spring Valley circuit and 46kV line near Millboro Springs substation. Mr. Keyser then provided a series of data points associated with Tier 1 technical support for BARC Connects. Tier 1 agents received 455 calls in January for a total of 5,179 minutes, for an average call length of just over 11 minutes. There were no known or detected cyberattacks or intrusions in January.

Mr. Keyser provided the Subsidiary Activity Report. The legal due diligence process for Project Gigabit is underway. Several commercial installs occurred in January. As of the end of January, total BARC Connects subscribers number 2,489. TV take rate remained steady at about 23% and telephone at 34%. SolarizeBARC had no new promissory notes in January, and one all-cash deal. In total, there have been 25 contracts, comprising 253kW of new solar.

Mr. Cook presented CFC credit facility documents pertaining to the RDOF letter of credit required by the FCC. Upon motion duly made and seconded, the board approved the credit facility and authorized Messrs. Swisher and Quantz to sign all necessary documentation.

Mr. Keyser next presented two options under consideration for a new program geared toward low and middle income (LMI) members. Two options were presented that would provide financial assistance to qualifying LMI consumers. Additional work remains to analyze the costs and benefits of the program. No action was recommended or taken.

Mr. Keyser provided the summary of upcoming meetings. The next VMDABC board meeting will take place February 22, 2021. Mr. Sandridge was appointed to be the Cooperative's delegate to the NRECA annual business meeting.

Mr. Sandridge presented the VMDA Report. The government affairs committee reviewed association positions on all pending legislation with the potential to impact the cooperatives. The linemen's rodeo has been cancelled due to the pandemic. A new printer has been obtained for production of the magazine.

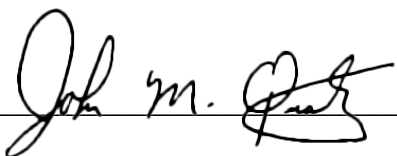
Mr. Keyser provided the Safety Report. There were no lost time accidents or vehicle accidents in January. The report was approved by motion duly made and seconded.

The minutes for January 2021 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.

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

Respectfully submitted,

Secretary 

Approved:

