

**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 April 21, 2021.

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

An executive session was held. Following the executive session, no action was taken.

There were no members who had requested to address the board.

Mr. Swisher and Mr. Keyser presented the Old Dominion Electric Cooperative (“Old Dominion”) Report. They reported that at a recent Old Dominion meeting there had been significant discussion of the energy crisis which occurred in Texas this year. Comparisons were made between the PJM and ERCOT markets. There was also discussion about strategic electrification and electric vehicles.

Mr. Keyser presented the CEO’s Report. Mr. Keyser reported that overall, March was a very successful month where many goals were achieved, including SAIDI, right of way mileage, fiber services and member satisfaction scores. The Millboro and Rockbridge Baths solar projects are moving ahead, enabling the expansion of community solar later this year. The Cooperative is also working with Old Dominion and The Homestead on an innovative battery storage project.

Mr. Keyser also reported that the state-imposed moratorium on electric disconnections remains in effect and the total arrearage has grown to \$772,632. The Virginia cooperatives are planning to exit the moratorium through use of the 1% safety valve, and Mr. Keyser recommended adoption of a resolution to support this effort. By motion duly made and seconded, the Board approved a resolution seeking relief from the moratorium on collections and

authorized the secretary, Mr. Quantz, to sign the resolution. A copy of the signed resolution will be kept on file at the Cooperative.

Mr. Keyser presented the Communications Report. He reported that on March 9, BARC was named the #7 most innovative company in North America by Fast Company Magazine, a tremendous honor. BARC is the first and only electric cooperative to ever make this list. In other good news, BARC has been asked to be part of an upcoming PBS/VPM series which will feature the Cooperative's efforts to deliver broadband service. Filming for the show starts in March. Lastly, he reported on social media and direct mail contacts and reported that of 149 surveys sent, those members who responded were overwhelmingly satisfied with both electric and broadband services.

Mr. Cook then provided the Finance Report. Year-to-date margins are \$1,245,236, \$534,131 over budget. Key contributors to the budget variance include below budget controllable costs. Equity was 27.77% and long term debt, 57.9% of total assets. BARC Connects continues to expand. Reliable Energy has over \$3 million in assets and nearly \$180,000 in total equity.

Mr. Keyser provided the Engineering and Operations Report. RUS environmental approval for the 2021-2024 construction work plan is still pending. Fiber construction still moves forward. The downtown Lexington project is about 75% complete. The projects in Estaline, Mill Creek and Big Hill are finished. The construction crews and splicers are working on Effinger/Glasgow. The ARC grant funded project in the town of Goshen began this month. Renewal of BARC's temporary special permit for the fiber laydown yard at Highland Belle was approved by the Rockbridge County Planning Commission on April 14. Seven new services

were released to construction in March, bringing the year-to-date total to 30. No cyber-attacks were detected in March.

Mr. Keyser presented the Subsidiary Activity Report. March was notable for BARC Connects in the large number of commercial installs that were made. In addition, there were 145 new residential installations, bringing the total to 2,681 subscribers which includes 130 commercial subscribers. There are four active consumers in development with the SolarizeBARC rooftop program. Both of the utility scale projects are moving forward this year.

Mr. Keyser reported on the pandemic's continuing impact on the annual and district meeting schedule. Notice of the meetings will appear in early May in *Cooperative Living* magazine. The meetings will occur by Microsoft Teams which has a polling feature allowing members to vote on the district nominees. The board then performed its annual review of the district membership totals. By motion duly made and seconded, the board agreed to the management recommendation to make no changes to the current districts. Various options for the annual meeting were discussed but a decision was deferred until May.

Mr. Keyser then made a report on the free drop promotion and standard fiber drop policy. Management recommended that certain terms and conditions be memorialized for the free drop promotion. Further, management recommended adoption of a standard drop policy for service requests that do not qualify for the free drop promotion. By motion duly made and seconded, management's recommendations were adopted.

Mr. Keyser then recommended to increase the net metering cap for residential net metering to 3% of system peak. By motion duly made and seconded, the board approved a resolution increasing the net metering cap and further authorized the Secretary, Mr. Quantz, to execute said resolution. A copy of the signed resolution will be kept on file at the Cooperative.

Mr. Keyser then made a report on short term disability insurance. Such insurance would replace a portion of the employee's income in the event they experience a temporary illness or injury and would provide the employee with stability during a temporary hardship. He presented bids for policies with a seven day waiting period and those with a fourteen day waiting period. Management recommended providing short term disability insurance coverage as an employer paid benefit and further recommended purchasing a policy from Hartford with a seven day waiting period. As part of this recommendation, management would discontinue the "leave bank" program. By motion duly made and seconded, the board adopted the management's recommendations.

Mr. Keyser then presented a recommendation to increase the video surveillance at substations. By motion duly made and seconded, the management recommendation was adopted.

Mr. Keyser then reported on an opportunity to outsource right-of-way (ROW) operations. He noted the mixed results since ROW maintenance was brought in house in 2016, and the positive results which have been reported since Asplundh was brought in to supplement the in-house right of way maintenance in 2019. Outsourced ROW services would include mileage work, service ticket work, new service extension work, danger tree work, and storm work. Management recommended utilizing a scorecard system to monitor performance and set goals, and further recommended use of a contract forester or similar ROW maintenance consultant to manage Asplundh's performance, benchmark right of way maintenance against other utilities, to catalog and track dangerous tree removal and make recommendations for best management practices for vegetation management. By motion duly made and seconded, the Board adopted management's recommendations.

Mr. Keyser reported that the only upcoming meeting is June 1, 2021, Employee Relations Subcommittee meeting that will occur virtually at 9:00 a.m.

Mr. Sandridge provided the Virginia, Maryland, Delaware Association (“Association”) Report. The government affairs committee met by teleconference on April 8, to review the legislative scorecards for 2021 and consider bills for 2022. The education foundation met on April 5 and there were seven BARC applicants, likely an all-time high, as well as two winners. The board nominating committee has nominated Mr. Sandridge to be the next Secretary/Treasurer of the Association. The final vote on the full slate of officer nominations will occur at the annual meeting on July 26, 2021.

Mr. Keyser provided the Safety Report. There were no lost time accidents or motor vehicle accidents. The total hours worked since the last lost time accident is now 419,000. The report was approved by motion duly made and seconded.

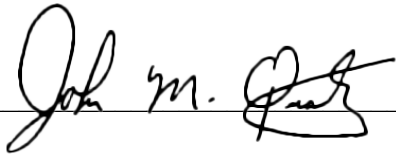
The minutes from the March 2021 and the Special Meeting were approved by motion duly made and seconded.

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

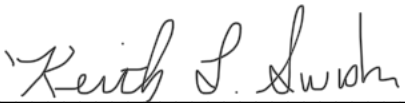
In other matters, Mr. Swisher and Mr. Keyser were nominated to represent the Cooperative at the ODEC Annual Members Meeting and reappointed as nominees to the Old Dominion board of directors. Mr. Sandridge and Mr. Keyser were elected to represent the Cooperative at the Annual Association Meeting, and were reappointed as nominees to the Association board of directors.

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

Respectfully submitted,

Secretary 

Approved:

  
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