

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 June 16, 2021, at the Cooperative Headquarters in Millboro, Virginia.

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

The executive session was delayed until the end of the meeting.

There was an opportunity for members to address the Board. No members signed up or appeared to address the Board.

Mr. Quantz provided the Secretary's Report. He reported that the district meeting was held for District 2 on May 25, 2021, via Microsoft Teams. No quorum was reached and therefore Jason Black was re-nominated for the Board from District 2. A meeting was held for District 7 on May 27, 2021, via Microsoft Teams. No quorum was present and therefore John Quantz was re-nominated for the Board from District 7. A meeting was held for District 6 on June 2, 2021, via Microsoft Teams. No quorum was present and therefore Edsel Ford was re-nominated for the Board from District 6.

Mr. Sandridge provided a report from the employee relations committee. The committee met on June 10, 2021 to review the proposed revisions to the wage and salary plan, as well as recommendations related to pay adjustments, the annual cost of living adjustment, and employment related policy updates. The committee recommended the board approve management's recommendations for wage and salary plan adjustments, as well as a 3% cost of living adjustment for all other employees not receiving a wage and salary plan adjustment. Further, the committee recommended that the policy committee take up the review of the proposed new policies and updates to existing policies. The recommendations from the

employee relations committee were approved by the Board upon motion duly made and seconded.

Mr. Swisher and Mr. Keyser presented the Old Dominion Electric Cooperative (“Old Dominion”) Report. An Old Dominion meeting was held on June 7, 2021. The majority of the board meeting was focused on forecasting for future energy needs.

Mr. Keyser presented the CEO’s Report. May was a good month for the Cooperative, driven by energy sales and significant cost savings achieved by virtue of BARC Connects. He also reported that the Cooperative still has nearly \$760,000 in electric arrears and it is working with other Virginia’s electric cooperatives on plans for when the Commonwealth-imposed moratorium ends. A number of projects are moving forward, including negotiations with Asplundh, solar projects in Bustleburg and Millboro and battery storage with ODEC. Mr. Keyser discussed strategic planning, including a cost of service study and the development of a new marketing strategy.

Mr. Keyser provided the Communications Report. He reported that filming for the pilot episode of “Heartland” wrapped up in May, and the episode featuring BARC is to air in the fall. There were 147 electric surveys sent and only ten responses were received but those responses were excellent. There were 150 broadband surveys were sent, 21 responses were received and those responses were very good to excellent.

Mr. Cook provided the Finance Report. Year-to-date margins are \$1,346,031, \$986,336 over budget. Equity is 27.21% and long term debt is 56.5% of total assets. BARC Connects continues to expand, remains on budget and is very close to profitable. Reliable Energy has over \$3 million in total assets.

Mr. Botulinski provided the Engineering and Operations Report. RUS Environmental approval has been received on all but two construction work plan projects. The unavailability of equipment has slowed fiber construction somewhat, but work is continuing. Fourteen new electric services were released to construction, bringing the total to 58 year-to-date. There were no cyber attacks during the month of May.

Mr. Keyser presented the Subsidiary Activity Report. Eighty-two new subscribers were added by BARC Connects in May. There are four active consumers in various stages of development in the Solarize BARC program.

Mr. Keyser then presented a report on the CoBank Sharing Success program. By motion duly made and seconded, the Board agreed to contribute to the school systems in Rockbridge, Alleghany and Bath Counties, as well as to the VMDAEC Scholarship Foundation. The contributions will be matched by CoBank.

Mr. Keyser then made a presentation on a fleet maintenance proposal. A recent audit of the Cooperative's fleet maintenance suggested a number of deficiencies, which is reflective of a program that is reactive to problems, rather than focused on preventative maintenance. This has resulted in more down time for vehicle repairs. Mr. Keyser discussed how this program is similar to that utilized by Southside Electric Cooperative, which has had a favorable experience. By motion duly made and seconded, the board approved management's plan to enter into a fleet maintenance contract with Penske.

Mr. Keyser provided a report on developing a contract forestry program. The contract forester will provide management and oversight to the Cooperative's overall right of way maintenance program. By motion duly made and seconded, the Board approved management's recommendation to enter into an agreement with Davey Resource Group.

Mr. Keyser then presented the proposed new cybersecurity policy, which was discussed during the May meeting. By motion duly made and seconded, the Board adopted Policy No. 214.

Mr. Keyser then reported that the Cooperative will be hosting the Virginia Broadband Advisory Council on June 22, 2021 at Highland Belle to discuss rural broadband.

There was no VMDAEC Report.

There was no VMDABC Report.

Mr. Keyser provided the Safety Report. There were no lost time or motor vehicle accidents in May. The total hours since the last lost time accident are now 441,369. That equates to 673 days. The report was approved by the Board by motion duly made and seconded.

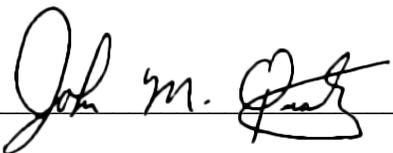
The minutes for May 2021 were approved by the Board by motion duly made and seconded.

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

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: