

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 August 18, 2021, at the Cooperative Headquarters in Millboro, Virginia.

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

No members of the Cooperative were present or signed up to address the Board.

By motion duly made and seconded, the Board approved the 2020 annual financial audit.

Mr. Swisher and Mr. Keyser presented the Old Dominion Cooperative (“Old Dominion”) Report. Mr. Swisher reported that Old Dominion held a strategic planning retreat August 9-10. Several topics were discussed, including grid reliability, renewable project development, risk management and battery storage.

Mr. Keyser presented the CEO’s Report. He reported that in July, BARC Connects generated positive margins for the first time. This occurred roughly according to the original projections, but with significantly more construction activity than originally projected. The Asplundh deal for right of way maintenance is effectively closed and work is underway with Davey on the right-of-way audit. Penske begins the vehicle maintenance contract on September 1, 2021. Total arrearages are now \$805,996 from 1,230 accounts and plans are underway to begin initiating repayment agreements with delinquent members now that the moratorium has ended.

Mr. Keyser presented the Communications Report. He provided communication and marketing updates. He noted that new websites have been developed for the Cooperative and its subsidiaries.

Mr. Cook provided the Finance Report. Year-to-date margins for the Cooperative are \$1,788,784, almost \$1.2 million over budget. Equity is at 26.55% and long term debt is at 53.7% of total assets. BARC Connects continues to expand. Mr. Cook opined that Connects' first net margin is a sign of many good things to come. Reliable Energy has almost \$3 million in total assets.

Mr. Botulinski provided the Engineering and Operations Report. Biologist field work is complete on the Millboro to Kool Dri transmission rebuild and the Brattons Run substation. Fiber construction is progressing. Vault replacements in downtown Lexington are complete. Anchors are being secured and drops are occurring in Estaline, Mill Creek and Glasgow. Thayer crews continue to splice and build line in South Buffalo, Cornwall, North Buffalo and Augusta. Conduit installation is over 80% complete in the Town of Goshen. Fourteen new electric services were released to construction, bringing year-to-date to 78. There were no cyberattacks in July.

Mr. Keyser provided the Subsidiary Activity Report. BARC Connects added 128 new customers including 12 commercial customers, bringing the total to 3,141 customers. The take rate is 41% which is above the subscriber goal. Solarize BARC has five active consumers with two signed notes. To date, there has been over \$18,000 in referral earnings.

Mr. Keyser advised the Board that there is a Region 1 and Region 4 meeting set for the National Harbor in Washington, DC, September 9-10, 2021.

Mr. Sandridge presented the Virginia, Maryland, Delaware Association ("VMDA") Report. The annual meeting occurred on July 25-27, 2021. The Education Services Committee/Scholarship Foundation reported that \$69,500 in high school and power line worker school scholarships had been awarded in 2021, bringing the total scholarships since 2001 to

\$815,000. Fred Garber and Greg White were honored by the Association for their distinguished service and leadership. The pandemic has contributed to the Association being \$109,590 under budget. Rusty Brown of the Northern Neck Electric Cooperative, Wade House from the Northern Virginia Electric Cooperative and Michael Sandridge of BARC Electric Cooperative were elected Chairman, Vice Chair and Secretary/Treasurer of the Association for 2021-22.

Mr. Lewis provided the Virginia, Maryland, Delaware Association Broadband Committee (“VMDABC”) Report. VMDABC met at a concurrent time with the VMDAEC. The meeting constituted of a discussion of new funding and legislative efforts on behalf of rural broadband.

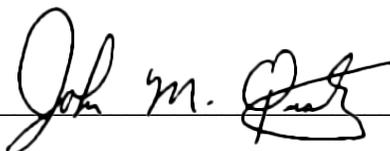
Mr. Keyser provided the Safety Report. There were no lost time accidents or motor vehicle accidents in July. The total hours since the last time accident is now 464,070, covering 734 days. The report was approved by motion duly made and seconded.

The minutes for July 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:

Keith S. Swick
