

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 15, 2021, at Highland Belle.

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

The executive session was put off until the end of the meeting.

Mr. Swisher and Mr. Botulinski presented the Old Dominion Electric Cooperative (“Old Dominion”) Report. The Old Dominion board met on the 13th and 14th of December, 2021. Patronage refund and margin stabilization was discussed and will produce about \$180,481 in payments or credits to BARC. There were updates on the solar projects and a discussion on the increasing cost of energy.

Mr. Quantz presented the Budget and Finance Committee Report. The Budget and Finance Committee met the week of December 6, by teleconference. By motion duly made and seconded, the Board approved the committee recommendation to write off a net of \$14,106.95 in bad debt. Mr. Quantz made reports on the budget for the construction work plan, fleet leases, general plant, Reliable Energy, BARC Connects and the electric company. He also made a report on the bad debt accrual rate. By motion duly made and seconded, the Board approved the management recommendation to keep the same accrual rate. By motion duly made and seconded, the Board approved the budgets as presented.

Mr. Botulinski provided the CEO Report. He provided an update on the sick leave/long term disability policy and advised the Board that the bids were closing on the 16th of December for the 2022 fiber work. He further advised the Board that BARC Connects was not successful

with the latest round of VATI funding and the failure to gain that funding will require a re-evaluation of work.

Mr. Botulinski provided the Communications Report. He reminded the Board that the nationwide search for new CEO is nearly a month old. He reported on a recent communications in marketing activity, and on the use of social media as a means to measure membership interaction and approval of the Cooperative's activities.

Ms. Perdue presented the Finance Report. Year-to-date margins are \$2,457,150, over \$1.5 million over the budget. The variance is in part due to keeping controllable costs low, and increased subsidiary activity. The monthly margin was \$470,103. Equity is 25.05% and long term debt is 49.07% of total assets. BARC Connects continues to expand and nearly \$108,000 in revenue brought the year-to-date income into the positive category of over \$33,000. This is significant because a year ago BARC Connects was \$500,000 in the red. Reliable Energy has over \$2.8 million in assets and \$256,594.93 in equity.

Mr. Botulinski presented the Engineering and Operations Report. Sixteen new services were released to construction in November. There were no cyber attacks for the month of November.

Mr. Botulinski presented the Subsidiary Report. There were 78 new subscribers enlisted in November. Eleven of those new subscribers are commercial. The total subscriber account as of December 10, 2021, is 3,480, including 179 commercial subscribers. New subscribers for both residential and commercial accounts are above goal.

There are seven active consumers in various stages of development with Solarize BARC. That has resulted in almost \$20,000 in referral earnings to date.

Mr. Botulinski provided the Safety Report. There were no lost time accidents, bringing the total number of hours worked since the last lost time accident to 500,585, covering 856 days. There were no motor vehicle accidents. The report was approved by motion duly made and seconded.

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

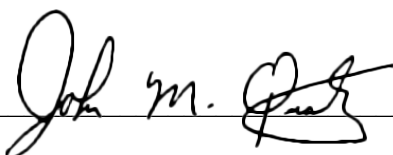
New members, cancellations, estate refunds, and accounts payable were all approved as presented upon motion duly made and seconded.

In other matters, Mr. Botulinski reminded the Board of several opportunities for visits to the General Assembly in Richmond in January. Mr. Botulinski was elected as a delegate to both the VMDA Boards-electric and broadband. It was noted that Lantz Construction won the bid for the remodel of Highland Belle.

A brief executive session was held after which no action was taken.

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

Respectfully submitted,

Secretary 

Approved: