

The Board of Directors met on July 25, 2019 at 6:00 p.m. at the Rockingham Office Complex near Mt. Crawford, Virginia. All directors were present during the meeting. CEO Hastings and Attorney Davenport were present, and other senior managers attended the first part of the meeting to present their report. Materials described below had been distributed to members several days before the meeting except as noted.

Mr. Helsley gave the invocation and led those in attendance in the Pledge of Allegiance.

CEO Hastings presented the first part of his report.

Mr. Rogers presented a report on the status of the project to acquire four radio towers that form an important part of the internal communications capability of the Cooperative.

The following resolutions were adopted:

Whereas, David E. Ferguson was elected by his fellow Cooperative members as a member of the Board of Directors of Shenandoah Valley Electric Cooperative on June 11, 2015; and

Whereas, David was serving in a consolidated seat representing Page/Shenandoah/-Warren counties, Virginia, a jurisdiction that previously had been provided electric power by The Potomac Edison Company, from which the Cooperative purchased the territory in June, 2010; and

Whereas, during the term in which David served, the Board of Directors made major strides in integrating the entire service area as one system, and, further, authorized several large construction projects, the rebuild of the Strasburg substation being one; and

Whereas, David brought to the board room a consistently focused view on initiatives and projects under consideration, forthrightly questioning assumptions that might otherwise have gone unnoticed, as well as strongly supporting appropriate measures after proper analysis and deliberation by the Board;

Whereas, David fostered active participation by all Directors at Board meetings and Committee meetings to thoroughly discuss each strategic issue and arrive at a consensus decision which was in the long term best interest of the Cooperatives' members; and he actively participated on the Annual Meeting Committee, the Compensation & Benefits Committee, the Strategic Planning Committee, and Ad Hoc Committee, as well as serving as Secretary/Treasurer and Vice Chair of the Board;

Whereas, his colleagues, desiring to acknowledge and record their appreciation to him and to remember their pleasant association with him during this time of service to the Cooperative;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Shenandoah Valley Electric Cooperative, in regular meeting assembled, at Rockingham, Virginia, this 25th day of July, 2019, that it expresses to David E. Ferguson its sincere thanks and appreciation for his able service to the Cooperative during his term as a member of the Board; and

BE IT FURTHER RESOLVED, that a copy of these Resolutions, signed by the Chair of the Board, with the corporate seal affixed thereto, and attested by the Secretary, be presented to David E. Ferguson.

Mr. Beamon gave the monthly financial report. He said that June weather resulted in slightly lower than expected distribution revenue and operating margins. The impact of the deferred power account adjustments reduced the account balance, but the annual cycle is progressing as expected. He reviewed the revenue compared to demand of the largest accounts and reviewed the liquidity/funding strategy.

Mr. Beamon presented a six-month financial review, beginning with the status of the Cooperative's compliance with the auditor's recommendations. He also reviewed year to date, key account variances.

Ms. Marchant and CEO Hastings gave the monthly ODEC report, and answered questions from Board members. Mr. Hastings updated the Board on a proposed transmission cost modification that Dominion is seeking.

Mr. Hastings and Mr. Aulgur discussed a member request for greater governance transparency. After a thorough discussion, by consensus the Board determined that the Cooperative's website should include the Form 990, Board minute excerpts as approved by counsel, omitting those agenda items for which confidentiality is necessary to protect the vital business interests of the Cooperative, and biographical information about each director and member of Senior Staff.

Mr. Beamon summarized the KRTA graphs for 2018, focusing on the purposes and the lessons to be learned. Board members discussed the graphs and Staff answered questions of Board members.

A motion was passed to change the October regular Board meeting to the 30th of the month.

Mr. Aulgur reported on recent dinners with jurisdictional officials.

The Board went into executive session.

Board Chair Howdyshell said the Executive Committee had discussed with CEO Hastings the issue of succession in the event of an abrupt departure of the CEO. Board members discussed the Committee recommendation. After a brief recess the Board reconvened and continued in executive session.

Board Chair Howdyshell said the Executive Committee had reviewed with CEO Hastings the annual Board member evaluations of his performance.

CEO Hastings provided the remainder of his report and referred to the monthly safety report.

CEO Hastings left the meeting for the consideration of other business.

There being no further business the meeting was adjourned at 8:11 p.m.