

The regular monthly Board meeting occurred on September 26, 2019 beginning at 6:00 p.m. at the Rockingham Office Complex in Rockingham County, Virginia. Board Chair Howdysshell presided during the meeting and all Board members except Mr. Burkholder were in attendance throughout the meeting. CEO Hastings and Attorney Davenport were also present during the meeting except as noted, and Senior Staff members attended the open portion of the meeting to present their reports. Copies of all materials described or referenced below had been delivered to Board members several days prior to the meeting, except as otherwise stated.

Mr. Plum gave the invocation and led the group in the Pledge of Allegiance.

The minutes of the regular Board meeting of August 30, 2019 were approved as delivered to members.

CEO Hastings gave the first part of his report. He said that three Cooperative linemen have returned from Bolivia where they were involved in providing electric power to 50 residents who never had power before.

Mr. Beamon presented the monthly financial reports. He said that lower sales are responsible for lower margins, but that most expenses are in line with budgeted amounts. He discussed expectations for the rest of the calendar year, noting that the enterprise cost and the power cost is running higher than last year. Mr. Beamon said the alternate power supply contract has saved almost \$2.5 million for 2019 to date. He responded to questions of Board members about costs and power supply and reviewed the liquidity/funding strategy. He discussed the process for obtaining a credit rating from Standard & Poor and reviewed the level of growth at the Cooperative over the past 20 months, noting a significant decline.

Ms. Marchant and CEO Hastings gave the monthly ODEC report. They said that a rate decrease is projected for January, 2020. CEO Hastings updated the Board on ODEC's community solar endeavor. He said that the Cooperative may be able to offer service under the economic development rate to a particular large industrial member that desires to shop for its power, and is entitled to do so under state law because its demand has exceeded a one-time annual level of 5 MW. Board members and Staff engaged in an extensive discussion on this topic. Ms. Marchant named the ODEC committees to which she and CEO Hastings have been appointed.

Mr. Marchant, Chair of the Strategic Planning Committee, said that Staff will provide Board members with a dashboard on their digital devices to monitor ongoing progress and milestones reached on the Strategic Plan, in addition to a quarterly report.

Mr. Aulgur reported on Page and Frederick County jurisdictional dinners recently held.

After a brief recess the Board reconvened in closed session.

Ms. Obenshain reported on the outcome of a recent meeting of the Annual Meeting Committee. The Board packet contained the details of the Committee's

recommendation, chosen after its detailed review of alternatives developed by Staff. The major components will include the official members meeting being held in July each year at Stonewall Jackson High School in Shenandoah County; and one community event, expanding to two for 2021 and thereafter, at varying locations throughout the service area. Complete information was included in the Board packet and Mr. Aulgur provided additional information. Ms. Obenshain, other Committee members and Mr. Aulgur answered numerous questions of Board members. Ms. Obenshain asked that the Board consider the Committee's recommendation, which was approved by the Board.

Mr. Beamon and Ms. Brown described the new 401(k) retirement plan as an alternative to the existing NRECA defined benefit plan. He and CEO Hastings provided information about the impact on older employees with longer tenures at the Cooperative, and they responded to Board member questions. Following a lengthy period of discussion among the Board, the following resolutions authorizing the change were adopted.

Board Chair Howdysshell reported on the recent NRECA Regional meeting.

CEO Hastings presented the remainder of his monthly report, including the monthly safety report. He reviewed upcoming Board meetings.

CEO Hastings left the meeting for the consideration of further business. There being no further business the meeting adjourned at 7:46 p.m.