

The regular monthly Board meeting occurred on October 30, 2019 beginning at 6:00 p.m. at the Cooperative headquarters near Mt. Crawford, Virginia. Board Chair Howdyshell presided and all Board members except Mr. Huffman were in attendance throughout the meeting. CEO Hastings and Attorney Davenport were also present during the meeting except as noted. Senior Staff members attended the open portion of the meeting to present their reports. To aid Board members in preparing for the monthly meeting, copies of all materials described or referenced below had been delivered to Board members several days prior to the meeting, except as otherwise stated.

Board Chair Howdyshell gave the invocation and led the group in the Pledge of Allegiance.

The minutes of the regular Board of Directors meeting held on September 26, 2019 were approved as distributed to members.

CEO Hastings presented the first part of his report. He answered questions of Board members.

Mr. Beamon presented the monthly financial reports. He said that monthly operating margins were substantially over budget, primarily due to higher revenues. Operating margins year to date are almost on budget, partly due to a reduction in depreciation. He referred to the Board packet materials for details about the deferred power account. He noted that the Morgan Stanley power contract has resulted in \$5 million in savings to date. Mr. Beamon updated the Board as to current status of the Liquidity/Funding Strategy.

Mr. Beamon presented the Staff recommendation for the 2019 discount rate for capital credit retirements to decedents' estates. A motion was passed to set the annual rate as recommended. Following discussion among Board members, the motion passed.

Ms. Marchant and CEO Hastings provided the monthly ODEC report.

Attorney Davenport recommended certain resolutions concerning the ODEC Economic Development Rate, which were adopted by the Board:

Annual Meeting Committee Chair Obenshain reported on a Committee meeting held prior to the Board meeting, at which the Committee endorsed a Staff suggestion that the 2020 Annual Meeting be held a month later than earlier decided. At her request, Attorney Davenport and Mr. Aulgur explained the anticipated chronology of events related to the 2020 director election process, the impact on a timing issue arising from a separate cooperative project, and the consequent desirability of a later meeting date. The Board passed a motion to change the date for the 2020 Annual Members Meeting to August 13, 2020 beginning at 7:00 p.m. at Stonewall Jackson High School in Shenandoah County, Virginia.

Finance Committee Chair Plum reported that the Committee recently held its third quarter meeting. He said the Committee continues to focus on ways to link business decisions to longer financial forecasts, in order that the need for major Board actions, such as authorizing rate changes, can be recognized sooner. He noted that this process change will be useful as the Cooperative likely continues to move through an era of diminishing sales.

The Board considered and took no action on a request for a donation..

Ms. Brown presented a draft IRS Form 990 and requested that Board members review it for approval at the regular December Board meeting.

Mr. Hannah provided the annual report on the Red Flag Rules program.

Mr. Hannah and other Staff discussed a recent decision to revert to the a particular software program in lieu of another program. The transition to the new program had proven unsuccessful. They responded to questions from Board members.

Mr. Beamon presented suggested resolutions to accomplish the freeze of the NRECA RS defined-benefit plan, and the transfer of funds from the NRECA-sponsored 401(k) plan to a successor 401(k) plan. After discussion, appropriate resolutions were adopted by the Board:

After a brief recess the Board convened in Executive Session.

Board Chair Howdyshell reported on the recent VMDAEC Board meeting, which addressed state governmental affairs and budgetary matters.

CEO Hastings presented the remainder of his report including the safety report.

There being no further business the meeting was adjourned.