

The Board of Directors of Shenandoah Valley Electric Cooperative held its regular monthly meeting beginning at 6:00 p.m. on March 26, 2020 by a combination of in-person attendance at Cooperative offices and other locations, and a web meeting facility. Board Chair Howdyshell presided and all persons in attendance could simultaneously hear each other during the meeting. All Board members were present, as were CEO Hastings, other Senior Staff, and Attorneys Davenport and Hutman. Copies of all materials referenced below had been made available to each Board member prior to the meeting, except as otherwise stated.

Mr. Dofflemyer gave the invocation.

By consensus, the meeting agenda was modified to move the first portion of the monthly CEO report ahead of the update on the New York Life loan.

The minutes of the regular Board meeting held on February 25, 2020 were approved as delivered to Board members.

Mr. Hastings reported on the Cooperative's COVID-19 policy and related operational matters.

Finance Committee Chair Plum reported on a meeting of his committee that occurred before the Board meeting began. He provided details regarding a recent audit report. The Committee has requested that Staff provide a suggested Board-level policy on capitalization of general plant additions and a valuation policy for the accounts receivable valuation estimate. The Committee recommended that the audit report and related letters be approved, and the recommendation was adopted and ratified by a motion passed by the Board.

Ms. Brown presented the monthly financial reports. She noted that warm weather resulted in diminished sales and below budget revenue, but that the recent rebalancing of energy and basic consumer charges more than offset the energy-related revenue shortfall. She said that controllable expenses were higher than budgeted and margins were below budget by about \$1.6 million year to date, and that no revenue reduction had occurred due to COVID-19. Ms. Brown reviewed the liquidity/funding strategy.

The Executive Committee reported the rate of had been locked in with New York Life loan for a \$10 million portion of the anticipated \$50 million loan facility. The action of the Committee was ratified by a motion passed by the Board. Ms. Brown provided further information on the status of the New York Life loan, and recommended loan resolutions, which were adopted by the Board:

CEO Hastings and Ms. Marchant presented the monthly ODEC report. Their report focused on a change in the rate in ODEC-owned generation. Mr. Hastings responded to questions regarding the situation.

By consensus, a presentation on power supply issues was moved on the agenda to the executive session portion of the meeting.

Mr. Aulgur reported that the State Corporation Commission has left in place its order prohibiting service disconnection due to nonpayment during the financial crises, precipitated by the COVID-19 pandemic.

Mr. Hannah presented information on the successful use of the web meeting software application for the audio and video connection of meeting attendees.

Ms. Brown said that Board members need to complete the questionnaire for information to be included in the IRS Form 990 and requested that the questionnaires be returned by the regular April Board meeting.

At 7:50 p.m. the Board entered executive session, with Staff remaining for the power supply portion.

Staff introduced representatives of a consulting firm who had conducted a study of the impact of the recent ODEC rate change expected to take effect in 2021, and the potential alternatives available to SVEC. The consultants and Attorney Townsend had joined the meeting for the agenda item. After the presentation of the consultant's findings, the Board, Staff and the consultants engaged in a lengthy discussion of their findings.

CEO Hastings reviewed a proposed wage employee incentive plan and a motion was passed to accept the proposal

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

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

There being no further business the meeting was adjourned at 9:19 p.m.