

# 85<sup>th</sup> ANNUAL MEETING

## Of Members of Shenandoah Valley Electric Cooperative – Thursday, August 12, 2021

### OPENING

Shenandoah Valley Electric Cooperative held its 85<sup>th</sup> Annual Membership Meeting via telephone on Thursday, August 12, 2021, at Headquarters in Mt. Crawford, Virginia. The preliminary announcements began at 6:00 p.m.

Morgan Messer, Director of External Affairs and Communication, welcomed members to the meeting and explained how members can submit questions over the phone for the SVEC Board or Staff during the meeting.

Ms. Messer recognized elected Board Members: Board Chair Dr. Conrad Helsley from Shenandoah County; Vice Chair Bill Orndoff from Frederick County; Secretary/Treasurer Jerry Dofflemyer from Page County; Brent Arbogast from Rockingham County, Steve Burkholder and Suzanne Obenshain from Rockingham County; Larry Howdysell, from Augusta County; Robbie Marchant from the City of Winchester; Brian Plum from Page County and Todd Van Horn from Frederick County. Ms. Messer then introduced the Cooperative's corporate attorneys Dale Davenport and Hannah Hutman as well as President and Chief Executive Officer Greg Rogers; Vice President and Chief Financial Officer Mike Aulgur; Vice President and Chief Information Officer Wayne Hannah; Vice President of Engineering Jason Burch, Vice President of Operations Tony Dean and Director of Finance and Accounting Tom Handley.

Ms. Messer announced that the following members won a \$250 bill credit for electric service for returning their proxy or registering for this meeting: Claude Bailey of Luray, Jerry Cornell of Winchester, Dale and Lisa Bowers of Woodstock, Nancy Gochenour of Edinburg, Ralph and Judy Heltzel of Edinburg, Gene Keller of Mount Jackson, William Miller of Raphine, David Reedy of Mount Crawford, Timothy and Tamara Shoemaker of Harrisonburg, Lloyd Snyder Jr. of Singers Glen, Christopher Willey of Cross Junction, and Eddie Woodward of Luray. Ms. Messer then asked Wayne Hannah, Vice President and Chief Information Officer to provide a moment of reflection.

### WELCOME AND CALL TO ORDER

Board Chair Conrad Helsley called the meeting to order at 6:06 p.m. and welcomed everyone to SVEC's 85<sup>th</sup> Annual Meeting via phone. Before he began, Board Chair Helsley thanked members for participating in the call and explained how members could vote on motions using their phones.

### DETERMINATION OF QUORUM AND NOTICE OF MEETING

Board Chair Conrad Helsley asked Secretary/Treasurer Jerry Dofflemyer to verify the meeting's quorum. In determining a quorum, Mr. Dofflemyer stated that the total Cooperative membership as of June 3, 2021, was 79,996 members. Article III, Section 4 of the Cooperative's bylaws states that two and one-half percent (2-1/2%) of the total number of members present in person or represented by proxy shall constitute a quorum for the Annual Membership Meeting. This two and one-half percent (2-1/2%) of the membership at the time of the official mailing meant 2,000 members needed to be present or represented by proxy. As of 4:30 p.m. on August 10, 2021, which was the cutoff for annual meeting registration, 493 members had registered to attend or had voted online. The total members represented by proxy were 3,911. Therefore, a total of 4,404 members were recognized as attending the meeting, and thus a quorum was met.

Director Dofflemyer also reported that Survey and Ballot Systems was the company that handled the logistics for the meeting, including the meeting notice, proxies, and balloting. The Cooperative had in its possession a certificate from Survey and Ballot Systems stating that on June 29, 2021, it mailed the official notice of the 2021 Annual Members Meeting as required by Section 3 of Article III of the Cooperative's bylaws.

### READING OF FULL NOTICE OF MEETING

Board Chair Helsley called for the reading of the full notice of the meeting as contained in the materials mailed to all members, or a motion to dispense with the reading. A motion was made, properly seconded, and passed, to dispense with the reading of the full notice of the 2021 Annual Meeting.

### READING OF 2019 MEETING MINUTES

The Board Chair called for the reading of the minutes of the 2020 Annual Meeting, a copy of which was made available on the Cooperative's website, including the annual meeting registration page, for several weeks, or a motion to dispense with the reading of, and approve the minutes. A motion was made, properly seconded, and passed to dispense with the reading of the minutes of the 2020 Annual Meeting and to accept them.

### BOARD CHAIR REMARKS

Board Chair Helsley told members he was proud to serve as chair and represent the Cooperative. Mr. Helsley spoke to the diverse territory the Cooperative serves, including rural, industrial, commercial, and residential properties, small towns and the city of Winchester. He stated that the diversity of the Cooperative membership meant there was a large diverse set of member needs to also be met, especially as it related to service during the

pandemic and the middle mile fiber project. The Board Chair thanked the employees for the hard work and attention to safety while restoring outages during the pandemic.

## **REPORT OF THE PRESIDENT & CEO**

President and CEO, Greg Rogers, welcomed everyone to the annual meeting, thanked employees for their work during the pandemic and stated that he wanted to share a few of the positive initiatives happening at the Co-op.

Mr. Rogers shared the progress on a middle-mile fiber backbone project. Mr. Rogers explained that SVEC determined plans for a fiber network that will connect all substations and other infrastructure for electric use. In August of 2020, the SVEC board of directors voted to explore partnership opportunities where our fiber network could assist with the internet needs in each locality. He emphasized the cooperative will act as a “middle mile provider” and does not intend on being an internet service provider (ISP). An ISP would lease fiber space from SVEC to run to a member’s home to provide broadband service. Mr. Rogers stated that property owners along the routes will be contacted as the project progresses. This initial phase of fiber construction will occur in parts of Augusta and Page counties, before moving on to Frederick, Rockingham, and Shenandoah counties. Mr. Rogers explained that the roll out of this project will occur in segments over the next three or so years. He shared that additional information regarding the fiber project updates will be posted on our website

CEO Rogers shared that SVEC’s wholesale power provider, Old Dominion Electric Cooperative, announced plans to achieve net zero carbon dioxide emissions by 2050 and an intermediate step to reduce Carbon Intensity to 50% of 2005 levels by 2030. He stated that SVEC fully supported ODEC in these efforts and that that SVEC was in the midst of developing a clean power plan, which will serve as a deliberate thought and action mapping process so the Cooperative can attain the right clean energy, most reliable power, and best values for members. Mr. Rogers said that 2021 marked 20 years since SVC hooked up the first net-metering member onto the system and stated that the electric cooperative would be having future announcements regarding community solar and promoting electric vehicle technology among youth in the area. He shared that SVEC believes a diversified energy mix should be used to uphold its mission of providing members with safe, reliable, and affordable electric service.

Mr. Rogers described the Operation Round Up program and encouraged members to enroll. He explained how the money accrued by rounding up their monthly bill, along with the corporate contribution by the SVEC board of directors allowed Operation Round Up to award more than \$33,000 so far in 2021, which supports charitable organizations in the community.

CEO Rogers reminded members that Virginia’s moratorium on utility service disconnections will end on August 29. To avoid disconnection of service, he asked members to please contact SVEC immediately to set up a payment plan if they were behind on their electric bill. He stated that although there have not been disconnections or late fees imposed for well over a year, members were still responsible for paying the electric bills they incur. Mr. Rogers said that SVEC understands many have faced difficulties during this public health crisis, and the co-op would work with members who have a past due balance on their account.

Finally, CEO Rogers invited members to participate in the final tele-town hall event, happening on November 18, 2021. The focus of the event would be on the co-op’s rate case, currently under review by the State Corporation Commission. He explained that SVEC must be able to fully and fairly recover the costs related with providing service to its members, while maintaining adequate margins to cover planned and unplanned expenses including storm damage, system upgrades to meet demand, and maintenance to ensure reliability and safety. Mr. Rogers stated that current revenues, cash flows and margins are not adequate to meet those needs in the long term while also meeting financial metrics required by the cooperative’s lenders. Therefore, he explained SVEC filed for a rate revision with the State Corporation Commission in March of 2021.

## **BYLAWS AND TERMS AND CONDITIONS**

The Cooperative’s attorney, Dale Davenport, reviewed the amendments to the Bylaws that the Board has made this year He explained that there were very few changes to the Bylaws since the annual meeting last year, nothing like the two prior years when the nominating process was opened wide, and balloting for directors went online and by mail.

Mr. Davenport stated that one change made in the past year dealt with director election ties. He explained that voting in the weeks before annual meeting – either online or by mail-in ballots - meant that a second vote cannot be taken immediately. He described that the Bylaws were changed to let the Board, or the members, choose from

two alternatives for voting again. A special meeting could be held just to vote again, but there could be long delays and major costs associated with holding a special meeting. The bylaws as amended gave an alternative method of deciding the election, which would be to freeze the candidate slate, and re-ballot in conjunction with the next annual meeting. If there was an incumbent running, they would stay in place, but a challenger would hold their spot as a candidate, and it would not be open for other candidates to join the race for that seat. If there was no incumbent, the Board would appoint a co-op member to serve during the year until the next annual meeting. Then, any candidates for that office would be the only candidates for that office when the re-balloting occurred a year later. As between the two alternatives, if a special meeting was not called by the members or the Board, this second alternative would apply.

Mr. Davenport stated that the only other substantive change was to remove the minimum age to be a director.

Mr. Davenport also explained that a few typos and formatting glitches in the Bylaws were also corrected and that a copy of the amended Bylaws has been posted to the Cooperative's website for the last couple of weeks.

**CONFIRM THE  
BYLWS AND  
TERMS AND  
CONDITIONS**

Board Chair Helsley asked for a motion to confirm the Bylaws. The motion was made, properly seconded and passed.

**SPECIAL  
RECOGNITION**

Board Chair Helsley recognized Mr. Davenport for his 30 years of service as the Cooperative's counsel. On behalf of the Board, Mr. Helsley presented a resolution to Mr. Davenport, honoring him for his dedication to the Cooperative and highlighting key projects he was involved in over the years. Board Chair Helsley thanked him for his time and expertise and wished him the best in retirement.

**NEW BUSINESS**

Board Chair Helsley asked if there was any new business. Hearing none, he asked if there were any questions or comments from the membership.

**QUESTIONS AND  
COMMENTS**

A member shared that if meetings could not be held in person, that the Cooperative consider holding the meetings via Zoom. CEO Rogers responded that he appreciated the feedback and that evaluations are completed after each annual meeting and that they would continue to look for ways to improve the process. Ms. Messer added that due to rural broadband issues, the Cooperative felt as if holding the meeting via telephone was the most equitable way to have members participate in the annual meeting.

**ELECTION  
RESULTS**

Ms. Messer turned the floor over to Attorney Davenport to announce the election results. Attorney Davenport reported that the members re-elected Larry C. Howdyshell to serve in the Augusta-Highland seat. He also reported that about 8 percent of the membership participated in the voting process and that these were direct votes, as SVEC does not utilize proxies in the board election process.

**ADJOURNMENT**

Board Chair Helsley thanked members for their participation and asked for a motion to adjourn. After a proper motion and second, by unanimous decision the meeting adjourned at 6:37 p.m.

Respectfully Submitted,

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Secretary