

## ROANOKE ELECTRIC COOPERATIVE

Minutes of the Board of Directors' Meeting

Ahoskie, North Carolina

February 28, 2022

Pursuant to due notice, a meeting of the Board of Directors of Roanoke Electric Cooperative ("REC" or "Cooperative") was held by videoconference, during which all persons participating in the meeting could hear each other. The meeting was held on February 28, 2022, beginning at approximately 6:00 p.m. The following Directors were present in person: Delores Amason, Marva Bond, Carolyn Bradley, Columbus Jeffers, Kenneth Jernigan, Darnell Lee, Robert N. Riddick, and Allen W. Speller. Also present were Roanoke Electric Cooperative President and CEO Marshall Cherry; Cathy Davison, Chief Financial Officer; Robert "Bo" Coughlin, Chief Operating Officer, Roanoke Connect Holdings, LLC; Jeremy Whitley, Director, Broadband Network Engineering; Mary Beth Lampe, Vice President of Corporate Services; Jimmy Liverman, Vice President of Engineering and Operations; Michael Ferguson, Manager of Engineering; Dennis McFee, Vice President of Member Services, Marketing, and Public Relations; Patrice Jordan, Coordinator of Public Relations and Engagement; Stephanie Beauregard, Booth & Associates, Manager of Financial Services; and Everette P. Winslow representing the Corporation's general counsel, Winslow Wetsch, PLLC. Mr. Cherry gave the invocation. With Chairman Speller presiding, and with these minutes being transcribed under the direction of Secretary Delores Amason, the following proceedings were had (all action of the Board being by unanimous vote, or without dissenting vote, unless otherwise stated):

1. Chairman Speller read the Ethics Awareness and Conflict of Interest Statement. No person in attendance indicated an actual or apparent conflict of interest with respect to the information received in advance of the meeting or the topics to be presented and reviewed during the meeting.

2. Director Robert Riddick provided safety tips regarding safety attitudes. He noted that an "It won't happen to me" attitude is a poor excuse for not working safely and can put individuals at an increased risk of injury. While experience is valuable, it can also lead to complacency and a failure to work safely. Despite the level of experience, hazards always need to be controlled. They are only controlled when workers take the time to implement proper safeguards and follow safe work practices.

3. Mr. Cherry presented the 2022 Cooperative Reputation Management Manual ("CRMM"). Like the Communicating Critical Issues document, the CRMM explores topics central to the Cooperative's mission and methods by which those topics can be discussed with Member-Owners. Mr. Cherry reviewed several topics and highlighted the cooperative's Vision 2025 strategic plan.

4. Consent Agenda Items: **Upon motion duly made and seconded, the Board approved the following items appearing on the Consent Agenda:**

- a. The minutes of the regular Board meeting of January 24, 2022.
- b. President and CEO's expenses.
- c. Safety Report and Minutes from January 13, 2022.
- d. There were 98 New Applications for Membership in January 2022 for \$490.00. The names of all such applicants have been duly recorded in the Cooperative's records.
- e. There were 93 Withdrawals from Membership in January 2022 for (\$465.00). The names of all such applicants have been duly recorded in the Cooperative's records.
- f. Fifty-four past due accounts were transferred to uncollectible on the Cooperative's books, in the aggregate amount of \$26,377.69 for the month of January 2022. Information concerning the accounts involved and the amounts are written off for each such account is shown in the Cooperative's records, and each is subject to being collected in the future.
- g. There have been fifteen requests for approval for payment of Capital Credits to estates of deceased members since the last such action by the Board. The net amount refunded after discounting and deduction of other appropriate sums was \$17,674.13 for the month of January 2022. Information concerning the accounts involved is shown in the Cooperative's records for such purpose.
- h. There were no Member requests for Disaster Assistance for the month of January 2022.

5. CEO Cherry reported, either himself or through a delegate, if otherwise stated, and the Board took certain action, as follows:

- a. Announcements:
  1. Director Chester Deloatch passed away on February 18, 2022. A moment of silence was observed in his memory.
  2. Director Delores Amason was acknowledged and thanked for her 20 years of service to the Cooperative.
  3. REC's Headquarters, The Roanoke Center, and Planter's Building will be closed on Friday, April 15, 2022, in observance of Good Friday.

b. Mr. Coughlin introduced Jeremy Whitley to the Board. Mr. Whitley will serve as the Director of Broadband Network Engineering for the Roanoke Connect project. His presence which will add efficiencies and oversight as well as speed the deployment of the Cooperative's demand response controls as well as the broadband initiative. Mr. Whitley remarked he is grateful for the opportunity to work with the team and is excited to help bring broadband to the community.

c. Mr. Cherry introduced Mary Beth Lampe, Vice President of Corporate Services. Ms. Lampe expressed her excitement for the opportunity to serve and stated she was impressed with the culture of the Cooperative and its subsidiaries.

[Mr. Whitley thanked the Board and excused himself from the meeting].

d. Mr. Liverman discussed the recently conducted Residential Solar Inspection study, which unveiled six unauthorized solar installations, which were discovered with the help of the new advanced metering infrastructure (AMI) system. He discussed the methods by which each situation was addressed. As part of his presentation, Mr. Liverman discussed the importance of proper interconnection of renewable generation facilities, safety hazards posed by improper interconnection, and increased costs to the membership resulting from an unauthorized interconnection. Although there are not many residential solar arrays installed, steps are being taken to ensure better detection, monitoring, and education regarding renewable installations.

e. Mr. Ferguson discussed the current Small Renewable Generation rate and how it is perceived and received by Member-Owners. Mr. Ferguson introduced Stephanie Beauregard from Booth and Associates, who provided a thorough explanation of small renewable billing options and a proposal for a new Small Renewable Generation rate that can benefit the Member-Owners as well as the Cooperative. The proposed rate is based on a net metering approach, which will allow Member-Owners to locally consume energy generated and sell the excess to the Cooperative at the avoided cost of \$.0282 per kWh, together with a Supplemental Charge of \$15.13 per installation, per month. Mr. Cherry referenced House Bill 951: Energy Solutions for North Carolina, which reflects a statewide goal of a 70% reduction in carbon emissions by the year 2030, which may see an attendant rise in the number of residential solar installations. Mr. Cherry also informed the Board that a toolkit is now on the Cooperative's website to assist Member-Owners with solar information. M. Cherry asked for the resolution to be effective as of March 1.

**Upon motion duly made and seconded and following discussion, the Board approved the Net Metering Rider as presented and proposed, with appropriate documentation of the rate to be provided to the Board at an upcoming meeting.**

[Ms. Beauregard, excused herself from the meeting].

f. Mr. Cherry provided the end-of-year results of the Cooperative's 2021 Strategy Execution System efforts. He reviewed the final scores for the year. Also reviewed was the bonus calculation, how it was earned, and how employees become eligible for a bonus payment. For 2021, the bonus percentage for eligible employees is 3.66%. Funds are paid from the savings gained through the achievement of Strategy Execution goals.

g. Mr. Cherry presented the 2022 Bonus Plan to include the funds for the plan. The following initiatives will generate savings for the plan: Line Loss, Roanoke Energy Resources Margins, Roanoke Connect Holdings, and Grid Optimization.

**Upon motion duly made and seconded, the Board approved the 2022 Bonus Plan as presented.**

h. Mr. Cherry discussed three solar and battery projects that will be commissioned in the third quarter of 2022. These projects will help the Cooperative flatten its load curve and minimize its use of the "excess block." He also referenced a potential interconnection agreement as well as an ongoing power supply study.

i. Based on the recommendation of Governor Cooper, mask mandates will be lifted as of March 7, 2022. The Cooperative will continue to monitor federal, state, and local agencies for guidance.

j. Mr. Coughlin provided updates on meetings with NC Rural Center and Mighty River, LLC. It is hoped that a successful meeting with county leaders will lead to a memo of understanding for Roanoke Connect Holdings. Mr. Coughlin then shared a territory map with preliminary areas sectioned off for future internet installations with the prospect of increased demand response devices. Also included were new dashboards to show installations by county as well as structures. Talks are ongoing with another electric cooperative for Roanoke Connect Holdings to manage and expand its broadband network. Currently, Mr. Coughlin and Mr. Cherry are currently reviewing options to determine how and whether the arrangement can benefit all parties involved.

k. Ms. Davison reviewed the financial dashboards for December and January as well as dashboards for demand response devices on the Cooperative's system and the resultant savings.

l. Mr. McFee introduced, Ms. Jordan who presented as follows:

- i. The schedule and topics for the 2022 Power Hour community engagement webinar series was presented. The series will cover Economic Development, healthcare, education, safety, and Vision 2025.

- ii. Ms. Jordan presented the Roanoke Electric Care Trust Quarterly Report. Grants totaling \$20,866.96 were awarded during its January 2022 meeting. Also discussed were operational issues.
- iii. Ms. Jordan discussed the importance of the Rural Electrification Action Program (“REAP”) and Action Committee for Rural Electrification (“ACRE”) programs and the ongoing need for contributions so the organizations can continue to effectively carry out their missions. The cooperative commitment to democratic decision-making extends to ACRE’s and REAP’s efforts to reach out to members of Congress and the North Carolina General Assembly, respectively, to make them aware of cooperative priorities and issues that affect Member-Owners and advocate for legislative changes that will positively impact cooperatives and the communities they serve.

[Ms. Jordan thanked the Board and excused herself from the meeting].

7. Affiliate Organizations.

b. Statewide.

- i. Updates were provided on TEMA and REAP by Directors Jeffers and Riddick respectively.

15. Upcoming Training/ Meeting Opportunities.

- a. NRECA’s PowerXchange-Nashville, TN March 4-9, 2022
- b. NRECA’s Directors Conference-Austin, TX April 2-5, 2022
- c. Statewide Annual Meeting and Business Sessions-Raleigh, NC April 5-7, 2022
- d. 2022 Electrification-Charlotte, NC – Reschedule Notice June 28-30, 2022

16. Attorney Winslow reviewed proposed revisions to Policy Bulletin No. P-104: Medical Examinations.

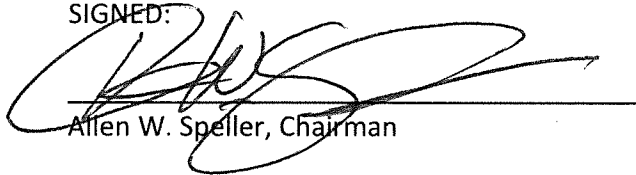
**Upon motion duly made and seconded, the Board approved the updated Policy Bulletin No. P-104: Medical Examinations, as presented.**

17. Upon motion duly made and seconded, the Board moved into executive session.

18. The Board exited the executive session. **Upon motion duly made and seconded, an employment agreement for CEO Cherry was approved by the Board, with such agreement to be presented to Mr. Cherry as an offer.**

19. After the Board exited the executive session and upon motion duly made and seconded, the meeting adjourned at approximately 10:30 p.m.

SIGNED:



Allen W. Speller, Chairman

APPROVED:



Delores H. Amason, Secretary