

## ROANOKE ELECTRIC COOPERATIVE

Minutes of the Board of Directors' Meeting

Ahoskie, North Carolina

April 25, 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 April 25, 2022, beginning at approximately 6:00 p.m. The following Directors were present in person: Delores Amason, Carolyn Bradley, Columbus Jeffers, Darnell Lee, Kenneth Jernigan, Marva Bond, Robert N. Riddick, and Allen W. Speller. Also present were Roanoke Electric Cooperative President and CEO Marshall Cherry; Cathy Davison, Chief Financial Officer; Mary Beth Lampe, Vice President of Corporate Services; Dennis McFee, Vice President of Member Services, Marketing, and Public Relations; Jimmy Liverman, Vice President of Engineering and Operations; Brittany Tann, Communication Specialist; Robert "Bo" Coughlin, Chief Operating Officer, Roanoke Connect Holdings, LLC; and Everett P. Winslow representing the Corporation's general counsel, Winslow Wetsch, PLLC. Guests included Bryan Isgett, Partner, McNair, McLemore, Middlebrooks & Co.; Stephen Bickel, Chief Insight Officer and Director of Utility Programs and Policies, Clean Energy Works; Daniel Kaufman, President, Enpira, Inc.; Jeff Reiman, President, The Broadband Group; and Stephanie Beaugard, Manager, Financial Services, Booth & Associates, LLC. Director Jernigan 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 Jernigan provided summer safety tips. He stressed the importance of staying hydrated by drinking water regularly to help maintain the proper balance of bodily fluids. Sugary and alcoholic beverages should be avoided. It is also important to apply sunscreen to protect against skin damage. Director Jernigan reminded those present that working outdoors can expose one to local fauna, some of which may be dangerous. When mowing the lawn, small children should not be allowed to ride on or operate riding mowers or push mowers.

3. The Combined Financial Statements of December 31, 2021 and 2022 and Independent Auditor's Report was presented by Bryan Isgett of McNair, McLemore, Middlebrooks & Co. The audit was a combined audit report for Roanoke Electric and its subsidiaries. He noted audit was a "clean" audit, the highest audit rating any organization can receive, and no errant or concerning findings were raised. He reviewed the format of the report as well as the bases upon which the report was based, including without limitation equities and

liabilities and statements of operations and income, highlighting items of importance. Included in Mr. Isgett's presentation was the Independent Auditor's Report of Supplementary Information, the independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, and the Independent Auditor's Report on Compliance with Aspects of Contractual Agreements and Regulatory Requirements for Electrical Borrowers.

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

**After further discussion and upon motion duly made and seconded, the Board approved the Combined Financial Statements of December 31, 2021 and 2022 and Independent Auditor's Report as presented.**

4. Stephen Bickel of Clean Energy Works, accompanied by Daniel Kaufman of Enpira Solutions, presented the results of its evaluation of the Upgrade to \$ave program ("Program"). The purpose of the evaluation was to quantify the value of the Program to the Cooperative as well as its Member-Owners. After briefly reviewing the history of the Program and how it has evolved since its beginnings in 2013, Mr. Bickel presented the results of the analysis. Overall, the metrics were positive, showing value to both the Member-Owners and the Cooperative. A discussion was had regarding next steps, including supplemental funding and additional measures that may be incorporated into the Program.

[Mr. Bickel and Mr. Kaufman thanked the Board and excused themselves from the meeting].

5. Jeff Reiman, Owner, of The Broadband Group (TBG), provided an overview of TBG and its participation in the Roanoke Connect project ("Project"). Afterward, he discussed the Project, the need to create efficiencies in the broadband deployment process with partners in engineering, supply chain, and construction, and key Project milestones. Mr. Reiman, together with Mr. Coughlin and Ms. Davison responded to questions posed by the Directors.

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

6. Stephanie Beauregard of Booth & Associates presented a proposed Commercial Net Metering Rider. She discussed billing options available to the Cooperative for small renewable generation, explaining the differences, advantages, and consequences of "buy all/sell all" and "net metering" approaches to compensating Member-Owners for renewable energy they generate. She discussed the need for the Cooperative to recover its distribution costs from the proper source to avoid unduly disadvantaging Member-Owners without renewable generation. To ensure Member-Owner satisfaction and proper cost recovery, she proposed adding a net metering rider with an appropriate monthly supplemental charge to ensure cost

recovery of distribution costs and to avoid subsidization by those who do not have small-scale renewable generation facilities.

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

**Upon motion duly made and seconded the Board approved the Commercial Net Metering Rider as presented and in the method and amounts reflected in materials distributed to the Board.**

7. 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 March 28, 2022.
- b. President and CEO's expenses.
- c. Safety Report and Minutes from March 18, 2022.
- d. There were 118 New Applications for Membership in March 2022 for \$590.00. The names of all such applicants have been duly recorded in the Cooperative's records.
- e. There were 116 Withdrawals from Membership in March 2022 for (\$580.00). The names of all such applicants have been duly recorded in the Cooperative's records.
- f. Sixteen past due accounts were transferred to uncollectible on the Cooperative's books, in the aggregate amount of \$5,247.40 for the month of March 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 28 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 \$28,781.71 for the month of February 2022. Information concerning the accounts involved is shown in the Cooperative's records for such purpose.
- h. There were two Member-owner requests for Disaster Assistance for the month of March 2022. The names of all such applicants have been duly recorded in the Cooperative's records.

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

a. Announcements:

1. Director Columbus Jeffers was recognized for his April birthday.
2. REC's Headquarters, The Roanoke Center, and Planter's Building will be closed on Monday, May 30, 2022, in observance of Memorial Day.

b. Mr. Cherry updated the board on the Cooperative's cyber security management and proactive measures being taken to ensure the Cooperative's cyber safety.

c. Mr. Coughlin provided an update on the successful meeting with the Regional Broadband Group. The final segmentation and schedule were shared along with a timeline of the next steps. The rebranding of Roanoke Connect is still in progress. Roanoke Connect currently has 1,764 subscribers.

d. Mr. Coughlin provided an update regarding the agreement between Roanoke Connect Holdings and Lumbee River Electric Membership Corporation (LREMC). LREMC's subscribers will begin the transition on June 12 due to billing cycles. The transition will begin with hubs and substations and should be complete by July 11. Communication to subscribers will begin in May.

e. Ms. Tann presented the 2022 Strategic Communication Plan. The presentation also included current engagement and future goals to increase these numbers.

7. Affiliate Organizations.

b. National.

- i. Mr. Cherry reported that he recently attended New CEO Orientation through National Rural Electric Cooperative Association (NRECA) and shared information on several topics of special interest that were discussed.

c. Statewide.

- i. Mr. Cherry related items of concern that were discussed during the recent statewide meeting. He noted that invasion of Ukraine by Russia continues to be an area of concern for the financial and commodities markets as well as cyber security experts and professionals.
- ii. Updates were provided on REAP and NCREA by Directors Riddick and Bradley, respectively.

15. Upcoming Training and Meeting Opportunities. Ms. Lampe provided information on upcoming training and meeting opportunities, as follows:

- a. New Director Orientation-Arlington, VA – May 11-13, 2022
- b. 2022 Electrification-Charlotte, NC – Reschedule Notice June 28-30, 2022

16. **Upon motion and duly made and seconded, the Board approved the holiday and training calendar for 2023 as follows:**

**Holidays**

New Year's Day	Monday, January 2, 2023
Martin Luther King Day	Monday, January 16, 2023
Good Friday	Friday, April 7, 2023
Memorial Day	Monday, May 29, 2023
Independence Day	Tuesday, July 4, 2023
Labor Day	Monday, September 4, 2023
Thanksgiving	Thursday-Friday, November 23-24, 2023
Christmas	Monday-Tuesday, December 25 & 26, 2023

**Training Dates**

Presidents Day	Monday, February 20, 2023
Veterans' Day	Friday, November 10, 2023

17. **After discussion and upon motion duly made and seconded, the Board resolved that the 2022 Board and Staff Retreat will be held on Saturday, November 19, 2022, in person or virtually, depending on the needs of the Cooperative, Board choice, and COVID-19 guidance issued by state and federal authorities.**

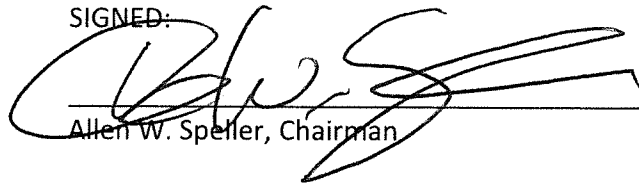
18. Attorney Winslow provided an update on legal matters.

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

20. **After exiting executive session and upon motion duly made and seconded, the Board named Cynthia Isles Vaughan to serve the remainder of the unexpired term of deceased Director Chester Deloatch, subject to the results of due diligence to be conducted by attorney Winslow.**

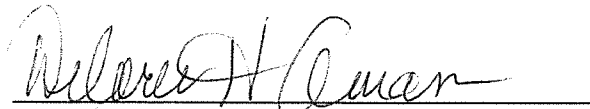
21. **After the Board exited the executive session and upon motion duly made and seconded, the meeting adjourned at approximately 9:45 p.m.**

SIGNED:



Allen W. Speller, Chairman

APPROVED:



Delores H. Amason, Secretary