

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – April 27, 2023

A regular meeting of the Board of Directors of A & N Electric Cooperative was held Thursday, April 27, 2023 at 1:00 p.m.

The meeting was called to order by Chairman Nottingham, followed by the invocation by Chairman Nottingham.

Present: Chairman Addison W. Nottingham, Directors: Chris D. Bott, E. Ralph W. Dodd, Garrison Drummond, Gregory L. Duncan, Mark A. Hickman, Penney P. Holland, and W.E. “Ted” Shockley. Also present was Attorney Cody Murphey. CEO Butch Williamson, Todd Bireley, Roger Blizzard, Joe Cataldo, Bette Cornell, Jay Diem, Jay Ford, Shawn Hildebrand, James Johnson and Lori Shreaves were also present.

Absent: Director James N. Belote.

Minutes of the Regular Meeting of the Board of Directors held on March 23, 2023, were presented.

Motion was made by Director Hickman to approve the minutes, seconded by Director Duncan.

Upon the motion, the minutes were approved.

Resolution Consent Agenda

The Consent Agenda, which included Memberships, March Work Order Schedule #1160-1161, March Safety Report, the March Income Statement and Balance Sheet, Outages, Accounts Receivables/Arrears Update and Products and Services were provided.

Motion was made by Director Bott to approve the Consent Agenda, seconded by Director Drummond. Upon the motion, the Consent Agenda was approved.

March Operating Reports

The March 2023 Financials and Operating Reports were presented by Shawn Hildebrand.

Shawn Hildebrand reviewed the Investment & Funding Availability and presented two staff recommendations for approval.

Motion was made by Director Bott to approve the first recommendation; to borrow \$10.185 million on FFB Note AN-ELEC-0006 which will close out the note and was seconded by Director Hickman.

Upon the motion, the first recommendation was approved.

Motion was made by Director Dodd to approve the second recommendation; to re-establish a money market account with the current bank, PNC, to participate in PNC’s Money Market Deposit Account program, and was seconded by Director Holland.

Shawn Hildebrand presented the Work Plan Projects that are budgeted for 2023.

Shawn Hildebrand reviewed a year-to-date summary of the 2023 Capital Budget.

Lori Shreaves presented information on Manual Meter Readings, Payment Channels and Products and Services for the Member Services Department. This report will move to the Consent Agenda starting in May 2023.

Jay Ford reviewed information on both the Information Technology and Operational Technology of the IT Department. He also explained information on Cyber Security, its activity on known threats, viruses and intrusion prevention.

The **Engineering Report** was presented by Todd Bireley.

The **Operations/Construction Report** was presented by Joe Cataldo.

There was no Human Resources Report.

Administration Updates

- **Capital Credit Review** – Shawn Hildebrand gave a presentation on Capital Credit to review the basics, Equity, Allocation and Retirement. Two staff recommendations were proposed in the presentation. The first recommendation was relative to the allocation of 2022 margins per Cooperative policy.

Motion was made by Director Bott to approve the first recommendation, seconded by Director Duncan. Upon the motion, the first recommendation was approved.

The second recommendation relative to the amount and method of retirement of capital credits in 2023 was tabled by the Board until the May meeting.

- **Facilities Update** – Mr. Hildebrand reviewed the building status of the renovation noting the “drive-thru” will be the last part of the renovation to be complete due to the challenge of getting materials.
- **Rate Comparison** – Mr. Hildebrand presented a comparison chart that Jay Diem created which listed summer and non-summer residential utility charges for Cooperatives of the Del Marva region.

Committee Reports

Director Dodd reported the policies that were presented and approved by the committee at the Bylaw/Policies Committee meeting on April 20, 2023.

Chairman Nottingham stated that there will be a Members Helping Members Board meeting on June 22, 2023 and a report will be presented at the next Board meeting.

Legal Report

There was no Legal Report presented.

ODEC Report

Director Drummond reported the March ODEC Report to the Board.

VMDAEC Report

Director Bott reported the March VMDAEC Report to the Board.

President's Report

Mr. Williamson reviewed the upcoming dates and events, noting the Arbor Day/Member Appreciation Day is this Saturday. Mr. Williamson reviewed the details of the event. Each member was given a copy of the event agenda for when they arrive.

Mr. Williamson reported that ANEC received the Sharing Success Award of \$10,000 from CoBank which will go to Members Helping Members to assist co-op members and families in need.

Old Business

EV Update

Shawn Hildebrand reviewed an update with the 2 current pilots; the EV Charger and the Second Phase Expanded ESVA EV Charing Network. Mr. Hildebrand noted that there will be a more thorough report at the next Board meeting.

New Business

A CFC letter was shared with the Board to let them know that ANEC is voluntarily contributing from capital retirement funds for other rural cooperatives in the nation.

Other Business

The ODEC Delegate – The Board certified to designate Director Drummond as a Voting Delegate for the 2023-2024 term.

Motion was made by Director Bott to approve the certification to designate Director Drummond as a Voting Delegate for the 2023-2024 term, seconded by Director Duncan. Upon the motion, the ODEC Delegate was approved.

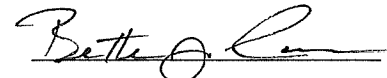
Executive Session

The Board entered into executive session at 4:08 pm.

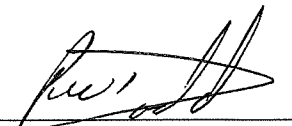
After coming out of Executive Session, the Board received Letter of Resignation from Director Belote. After review and discussion of Director Belote's Letter of Resignation, the Board unanimously voted to accept Director Belote's resignation.

There being no further business in the regular board meeting, the meeting was adjourned at 4:51 pm.

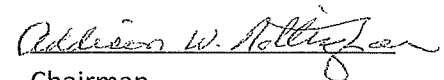
The next board meeting is scheduled for May 25, 2023, at 1:00 pm.


Assistant Secretary

APPROVED:


Secretary

APPROVED:


Chairman