

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – February 23, 2023

A regular meeting of the Board of Directors of A & N Electric Cooperative was held Thursday, February 23, 2023 at 1:00 p.m.

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

Present: Chairman Addison W. Nottingham, Directors: E. Garrison Drummond, Gregory L. Duncan, Mark A. Hickman, Penney P. Holland, and W.E. “Ted” Shockley. Co-Chair Chris D. Bott attended via Zoom. Also present were Attorneys Sam Brumberg and Cody Murphey. John Cheatham, Auditor, (Adams, Jenkins & Cheatham) was present at the beginning of the meeting. CEO Butch Williamson, Todd Bireley, Roger Blizzard, Joe Cataldo, Bette Cornell, Jay Diem, Shawn Hildebrand, and James Johnson were also present.

Absent: Secretary/Treasurer Ralph W. Dodd and Director James N. Belote.

John Cheatham (Adams, Jenkins & Cheatham) gave a presentation on the 2022 Audit. Mr. Cheatham reviewed all parts to the 2022 Audit and noted A & N has a great accounting staff. Mr. Williamson thank Shawn Hildebrand and his staff for doing a great job in assisting with the audit.

The 2022 Audit Report

The 2022 Audit was presented. Motion to approve was made by Director Drummond, seconded by Director Holland. Upon motion, the 2022 audit was approved.

Minutes of the Regular Meeting of the Board of Directors held on January 26, 2023, were presented. *Upon motion properly made and seconded, the minutes were approved.*

Resolution Consent Agenda

The Consent Agenda, which included Memberships, January Work Order Schedule #1158, January Safety Report, the January Income Statement and Balance Sheet, Outages, Accounts Receivables/Arrears Update and Products and Services were provided.

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

January Operating Reports

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

Shawn Hildebrand reviewed the Investment & Funding Availability noting \$6 million of available funds for borrowing but would need board approval.

Motion was made by Director Shockley to approve, seconded by Director Duncan.

Shawn Hildebrand also reviewed the A & N Equity Management Plan and the Investment Policy.

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

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

HR Report – There was no HR Report presented.

Member Services Report – Jay Diem reviewed the Member Satisfaction Survey process and explained it to the new Board Directors. Jay noted that the overall ASCI Score was 88, the highest achieved.

Administration Updates

Shawn Hildebrand gave an update on the facility, reporting all the trailers have been removed and employees are back in the building. Any unused furniture and items no longer being used will go to auction on govdeals.com. March 29, 2023 is the date to have everything finalized with the new facility.

Shawn Hildebrand presented an update on the 2022 KPI and noted staff recommends the 6.4% payout.

Motion to approve the 6.4% payout was made by Director Duncan and seconded by Director Shockley.

Committee Reports

Members Helping Members -- Chairman Nottingham noted there will be a report at the next Board meeting, after the next Members Helping Members Boarding in March.

Legal Report

Attorney Sam Brumberg reported that all is well at A & N Electric Cooperative. He introduced Attorney Cody Murphey who will be moving forward to serve as the Cooperative's attorney.

ODEC Report

Garry Drummond reported the January ODEC Report to the Board. He also shared a video on the recent attack on a substation in Moore County, NC.

VMDAEC Report

There was no VMDAEC Report presented.

President's Report

Mr. Williamson thanked the Board of Directors for the privilege of serving as CEO and he also thanked them for the support with the appraisal he received. Mr. Williamson asked the Board of Directors if they had any questions from Brad Kitchen's presentation at the January Board meeting. Mr. Williamson noted that employees are happy and proud to be back in the facility. Mr. Williamson reported that the Director Election process will be part of the Cooperative Living Magazine and that Cody Murphey will be working with both the C&E and Nominating Committees.

Old Business

Matters concerning an ANEC Affiliate: Attorney Sam Brumberg reported after looking back into whether there were any prior subsidiaries, he found that there were none.

Chairman Nottingham made a recommendation that the board make-up of the A&N Innovative Solutions consist of the ANEC’s Executive Committee of the Chairman, Vice-Chair and Secretary/Treasurer plus one additional Director from each district and the CEO/President of ANEC serve as the Board of Directors of the affiliate. Attorney Sam Brumberg will put together and have the installation at the next Board of Directors meeting in March. Attorney Cody Murphey will resume with the subsidiary.

New Business

Mr. Williamson updated the Board that A & N is in the process of reviewing its current Purchase Power Agreement (PPA) to determine the need of an extension or provide notification to ODEC for the return of its current contracted load back to its original purchase power contract.

Other Business

There was no Other Business presented.

Executive Session

The Board entered into executive session at 3:45 pm.

After coming out of Executive Session at 4:00 pm and there being no further business in the regular board meeting, the meeting was adjourned at 4:00 pm.

The next board meeting is scheduled for March 23, 2023, at 1:00 pm.

APPROVED:

Secretary

Assistant Secretary
APPROVED:

Chairman