

REGULAR MEETING OF THE BOARD OF DIRECTORS

MINUTES – February 24, 2022

A regular meeting of the Board of Directors of A & N Electric Cooperative was held Thursday, February 24, 2022, at the office of the Cooperative at 1:00 p.m.

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

The following were present: Directors James N. Belote, III, Christopher D. Bott, Henry P. Custis, Jr., E. Garrison Drummond, Penney P. Holland, Addison W. Nottingham, and W.E. Ted Shockley. Joined by Zoom were Directors Ralph W. Dodd, Robert L. Nock and Edward V. Parks, Jr. Also present were Shawn Hildebrand, Joe Cataldo, Jay Diem, Todd Bireley, Robie Marsh, Butch Williamson, and Bette Cornell.

John Cheatham (Adams, Jenkins & Cheatham) gave a presentation on the 2021 Audit. Mr. Cheatham reviewed all the parts to the 2021 Audit and noted that the audit was a clean job. Mr. Williamson thanked all the Accounting Staff for doing a good job in assisting with the audit.

2021 Audit

The 2021 Audit was presented. ***Motion to approve was made by Director Bott, seconded by Director, Drummond. Upon motion, the 2021 Audit was approved.***

Resolution Previous Minutes

Minutes of the regular Board Meeting held on January 24, 2022, were presented. ***Upon motion, the minutes were approved with corrections.***

Resolution Consent Agenda

The Consent Agenda, which included Memberships, January Work Order Schedule #1139-1140, January Safety Report, the January Income and Balance Sheet, and Outages were provided. ***Motion to approve the Consent Agenda was made by Director Bott, seconded by Director Drummond. Upon motion, the Consent Agenda was approved.***

January 2022 Operating Reports

The January 2022 Financials and Operating Report and Budget Updates were presented by Shawn Hildebrand.

The Engineering Report was presented by Todd Bireley.

The Operations/Construction Report was presented by Joe Cataldo.

The Member/Energy Services Reports which covered ANEC's Accounts Receivables/Arrears Update was presented by Shawn Hildebrand. Mr. Hildebrand noted that beginning at next

month's meeting, the Accounts Receivables/Arrears and Products & Services will be listed under the Consent Agenda.

The Products and Services information was presented by Jay Diem.

There were no reports on Human Resources.

Upon Motion, the January Operating Reports presented, were approved.

Administration Updates

- Jay Diem reviewed the timeline and layout for the Member Engagement Day Forum.
- Jay Diem presented an update on the 2021 KPI and noted that staff recommends the 7.08% payout. ***Motion to approve the 7.08 % payout was made by Director Bott and seconded by Director Belote. Upon motion, the 7.08% payout was approved.***
- Shawn Hildebrand presented part I of the Capital Credit review and noted that part II will be made available at the next board meeting.
- Mr. Williamson reported an update on the bids for the additional facilities and renovations which was estimated at 6.9 million with a not to exceed cost of 7.0 million for the interior renovations. Total Estimated costs were forecasted to be 14.7 million, with uncertainty due to timing and inflation. ***Motion was made by Director Bott to approve, seconded by Director Belote. Upon motion, the not to exceed 7.0 million for 2nd phase of the project was approved.***

ODEC Report

Director Drummond reported the February ODEC report to the Board.

Legal Report

There was no legal report presented.

President's Report

Mr. Williamson reviewed the upcoming meeting dates for 2022, noting March 4th has been added for an Employee Appreciation Day. Lunch and snacks will be made available for all employees.

Mr. Williamson reported that after reviewing the current recommendations from the CDC, new COVID Requirements for all A & N personnel have been put into place and made effective as of today.

Old Business

No Old Business to report.

New Business

Mr. Williamson reported a situation with Tangier Oil Company, Inc. in which there is an aboveground oil storage on Tangier Island that has become a containment issue with the EPA. Tangier Oil Company, Inc. has approached the Cooperative regarding the USDA's Rural

Economic Development Loan and Grant program to help pay for a portion of the repairs. The Cooperative staff is currently evaluating the situation.

Other Business

Mr. Williamson stated that a Nominating Committee Application from Ron Wolff was received for proposal. ***A motion was made by Director Bott to accept the application, was seconded by Director Drummond. Upon motion, Ron Wolff's Nominating Committee Application was accepted.***

Mr. Williamson reported that there are delays with the production of Cooperative Living Magazine due to paper supply.

Information and Correspondence

Items in Information and Correspondence were provided for review.

The Board entered into Executive Session at 4:15 pm.

After coming out of Executive Session at 4:30 pm, and there being no further business in the regular board meeting, the meeting was adjourned at 4:30 pm.

The next board meeting is scheduled for March 24, 2022, at 1 pm.

Assistant Secretary

APPROVED:

APPROVED:

Secretary

Addison Natterman

Chairman