

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

WEDNESDAY, JANUARY 19, 2022

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative (“REC”) was held via video conference, on Wednesday, January 19, 2022, pursuant to a five-day prior notice, all in accordance with REC’s Bylaws. The following directors were present:

Eugene L. Campbell, Jr., Darlene H. Carpenter, Linda R. Gray, Michael W. Lindsay, Eric T. Paulson, Sanford Reaves, Jr., Christopher G. Shipe, Randy Thomas, and J. Mark Wood.

Also present were:

President & Chief Executive Officer, John D. Hewa
Chief Engagement & Consumer Officer, Tracey Steiner
Chief Administrative & Finance Officer, Lawrence (Larry) G. Andrews
Chief Strategy, Technology & Innovation Officer, Peter Muhoro
Chief Engineering and Grid Operations Officer, John Arp
Assistant Secretary & Executive Assistant, Whitney S. Watts
General Counsel, Charles W. Payne, Jr.

The following team members joined the meeting for various presentations:

Managing Director – External Affairs, Brian Doherty
Managing Director – Administrative Services, Tosh Bowe
Managing Director- Western Region, Shawn McDonough
Managing Director- Engineering and Power Supply, Lee Brock
Managing Director- Information Technology and Cybersecurity, Marc Seay
Managing Director – Member Services, Kris Sieber
Managing Director- Safety, Physical Security, & Operational Support Svcs, John Crawford
Managing Director- Human Resources and Employee Development, Patricia Hatcher
Managing Director-Communications & Public Relations, Casey Hollins
Directors of Operations & Construction, Daniel Dewey and Kevin Pories
Director of Operational & Construction Services, Jason Satterwhite
Director of Government Affairs, Lindsey Watson

Chairman Shipe called the meeting to order at 10:35 a.m. Thereafter, with Mr. Shipe presiding, and with these minutes being transcribed under the direction of Secretary Sanford Reaves, Jr., the following proceedings took place (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the Board, or without dissenting vote or abstention, unless otherwise stated).

Linda Gray gave the meeting invocation.

Approval of Agenda

Chairman Shipe called for any changes, edits, or additions to the agenda. Hearing none, the **board voted to approve the agenda for the January 19, 2022 meeting.**

Introductions & Announcements

Mr. Hewa introduced two new team members who will work regularly with the board. Tracey Steiner has officially joined REC as Chief Engagement and Consumer Officer. She offered a few comments and the board welcomed her. He then welcomed Anna Burke, Executive Office Associate to the team. He praised Anna for joining REC on the first day of a very large storm, and noted he looks forward to her contributions to the team.

Mr. Hewa then turned to Mr. Arp, who announced to the board that Jason Satterwhite has been selected as Managing Director, Regional Operations effective January 30.

Jason will fill this role following the retirement of Maxie Rozell. Mr. Satterwhite is a tenured REC employee and looks forward to his contributions to operations as well as the tactical team.

Chairman Shipe then thanked the board for their engagement and dedication during the Winter Storm Frida briefings that were held earlier in the month. Directors commented on the informative nature of the briefings and thanked staff for the efforts.

CEO Update

Mr. Hewa then provided a CEO update focused on a “Welcome to 2022” highlighting several significant changes in the REC landscape since the December 2021 meeting. He discussed regulatory, financial, personnel and other items. Each will be discussed in detail further into the meeting. He closed by praising the REC team for their historic and heroic efforts in the restoration following Winter Storm Frida.

Approval of the Consent Agenda

Chairman Shipe asked if there were any changes or corrections to the Meeting Minutes. After review and discussion of the Consent Agenda, the Board voted to accept the Consent Agenda containing the Minutes of the December 8, 2021, regular Board meeting, the December 2021 Safety Report, the November 2021 Operating Report, and the 2022 PCA Factor Adjustment. There being no modifications to the consent agenda, the board **voted to accept the consent agenda as presented.**

Unfinished Business

There was no unfinished business to come before the board.

Reports

Annual Meeting Committee Report

Gene Campbell gave the Annual Meeting Committee Report noting that the annual meeting will be held on August 10, 2022 in the same virtual format used in 2021. Director elections will follow the same timeline and will include elections in Region I, VI and VII.

Operating Report

Larry Andrews presented the preliminary December 2021 Operating Report. He reviewed significant variances that impacted the budget. Year-to-date Operating Margins ended at \$9.3M, Non-Operating Income was \$7.8M, and Net Margins were \$17.2M. After questions and discussion concluded, **the Board voted to receive the preliminary 2021 Operating Report as presented.**

Report of the President

Mr. Hewa provided a review of the business meetings involving the Cooperative and the operational activities that took place over the previous month.

Mr. Hewa provided an update on REC’s ongoing COVID management. John Crawford and Patricia Hatcher joined the meeting for this discussion. REC is currently reacting to the Omicron surge, and encouraging remote work where applicable.

He then updated the board on the OSHA ETS Standard discussed in the last several meetings, noting that the Supreme Court has stayed this issue, and REC is not currently pursuing plans to implement this standard.

He then turned to Mr. Andrews to provide a construction update on the Building 247 refresh. He informed the board the project is nearing completion and furniture is being installed and IT systems connected.

New Business

Reaffirmation of RE Communications Board Members

RE Communications is launching a new business division after years of dormancy, and as such is undergoing bylaw and structure reviews. As part of this process, the REC

board voted to reaffirm the slate of RE Communications Board Members as shown below:

Officer Slate for 2022

Chairman ----- Michael W. Lindsay
Vice Chairman----- Christopher G. Shipe
Secretary ----- J. Mark Wood
Treasurer ----- Jesse R. Thomas
President & CEO ----- John D. Hewa
Executive Vice President & General Manager ----- Peter Muhoro
Assistant Secretary ----- Whitney S. Watts
Assistant Treasurer ----- Bruce M. "Tosh" Bowe, Jr.

Director Slate for 2022

Director----- Sanford Reaves, Jr.
Director----- Eugene L. Campbell, Jr.
Director----- Darlene Carpenter
Director----- Linda R. Gray
Director ----- Eric T. Paulson

Corporate Officer Appointment

Tracey Steiner has assumed the role of Chief Engagement and Consumer Officer, effective January 17, 2022. She replaces David F. Koogler who retired on January 3, 2022. **The board voted to appoint Tracey Steiner as a Corporate Officer.**

Winter Storm Frida Recap

The tactical team and operational directors joined the meeting for the Winter Storm Frida recap discussion. Mr. Hewa gave an overview with statistics of the storm impacts, response, as well as detailed the after-action process that is currently underway. Mr. Hewa and the board praised the REC workforce for their tireless dedication to restoration in the most challenging environments. Mr. Hewa noted that the March meeting will focus on the results of the after-action report and looks forward to sharing more details with the board at that time.

2022 General Assembly Legislative Update

Lindsey Watson, Director of Government Affairs, joined the meeting and gave an overview of the 2022 General Assembly. She focused specifically on the changes to the delegation representing REC and establishing relationships with them. She also detailed several bills that the Cooperative is following in this year's session. After a discussion she left the meeting.

Attorney's Report & Executive Session

The Board voted to enter executive session for the attorney's report and executive session items at 2:11 p.m. and after proper motion, voted to exit executive session at 3:26 p.m. The board entered executive session for purposes of discussing legal, employment, negotiations with third parties, or other items of business controlled by NDA or other confidential requirements.

The Power Supply Report was given in executive session.

No action was taken during executive session.

Board Policy Consideration

The board was presented with a Cybersecurity Policy for their review. The board will consider this policy at their next meeting.

February Member Communications Review

The board received a preview of the February member communications.

Chairman Shipe called for any further business.

There being no further business, **the Board voted to adjourn at 3:48 p.m.**

Sanford Reaves, Jr., Secretary

Attest:

Christopher G. Shipe, Chairman