

RAPPAHANNOCK ELECTRIC COOPERATIVE  
BOARD OF DIRECTORS MEETING

**MINUTES**

WEDNESDAY, MARCH 25, 2026

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative (“REC”) was held at REC’s headquarters, located at 247 Industrial Court, Fredericksburg, VA 22408, on Wednesday, March 25, 2026, pursuant to a five-day prior notice, all in accordance with REC’s Bylaws. The following directors were present:

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

*Also present in person or virtually were:*

*President & Chief Executive Officer, John D. Hewa*

*Chief Human Resources Officer, Patricia J. Hatcher*

*Chief Strategy, Technology & Innovation Officer, Peter Muhoro*

*Chief Engagement & Consumer Officer, Tracey Steiner*

*Chief Financial Officer, Steven G. Roddy*

*Chief Grid Operations Officer, Jason Satterwhite*

*Chief Growth Officer, Herschel Arant*

*Director of Governance & Executive Administration/Assistant Secretary, Whitney S. Watts*

*General Counsel, Charles W. Payne, Jr.*

*The following REC staff and consultant joined the meeting virtually for various presentations:*

*Consultant, Michael Dailey*

*Managing Director – Regulatory Affairs & Compliance, Brian Doherty*

*Managing Director – Member Services, Kris Sieber Dunn*

*Director – Member Services and Community Engagement, Joanie Griffiths*

*Director – Government Affairs, Lindsey Watson*

*Chairman Shipe called the meeting to order at 10:00 a.m. Thereafter, with Chairman Shipe presiding, and with these minutes being transcribed under the direction of Secretary J. Mark Wood, 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. Jason Satterwhite provided the safety briefing.

### **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 March 25, 2026 meeting.**

### **Introductions and Announcements**

Mr. Hewa introduced REC’s Chief Growth Officer, Herschel Arant, to the board. Mr. Arant provided a few comments on his background and shared his excitement to be part of the REC team. Mr. Hewa then updated the board on several engagements of the leadership team, including speaking opportunities and board service. Specifically, he noted that Tracey Steiner will be chairing a transition committee for the Center for Energy Workforce Development (CEWD) board.

### **Approval of the Consent Agenda**

Chairman Shipe asked if there were any changes or corrections to the Consent Agenda. After review and discussion of the Consent Agenda, the board **voted to approve the Consent Agenda containing the Minutes of the October 22, 2025 Regular Meeting, the November 19, 2025 Regular Meeting, the February 2026 Safety Report, the triennial policy review including Assistance to Other Electric Cooperatives and Utilities in Emergencies, Corporate Policy Origin Approval Distribution, Monetary**

## **Support, and Retention of Legal Counsel, and a regular update to the REC Governance Plan.**

### **March 2026 Strategic Initiative Update**

Mr. Hewa reviewed the current initiatives associated with this month's board materials.

### **Unfinished Business**

#### **Rate Impacts**

Brian Doherty, Managing Director – Rates and Regulatory Affairs, joined the meeting and provided the board with an in-depth analysis of REC's residential rate stack, that is, the relative expense line items that are recovered through residential members bills. He discussed the implications of all nine cost layers and the future outlook for each through 2030. After discussion he agreed to follow up with additional information for the board next month.

### **Reports**

#### **February 2026 Operating Report & Presentation**

Mr. Roddy presented the February 2026 Operating Report. He reviewed significant variances that impacted the budget, primarily storm expenses from Winter Storm Fern and the following record setting cold period. Operating Margins for February are \$2.9M, Non-Operating Income was \$1.5M, and Net Margins were \$4.4M. After questions and discussion concluded, the **Board voted to receive the February 2026 Operating Report as presented.**

#### **Report of the President**

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He shared that the SCC has approved the LP-DF Tariff which was filed in 2025. It was approved with one minor adjustment on general plant depreciation and staff will implement the tariff accordingly, which could include a refund to the customer for that charge component. He then turned to Mr. Satterwhite to provide a recap of the recent windstorm which occurred on March 16. He noted that with more than 21,000 members off it was declared a major event day for REC. Crews were able to safely and efficiently complete the restoration effort. Mr. Satterwhite then provided an update that the Carmel Church property was approved for rezoning and special use in Caroline County by the Board of Supervisors this month. The project is now cleared to close on the land. More updates will be forthcoming to the board for final buildout approval of the project.

### **New Business**

#### **Project Big Heart Annual Report**

Joanie Griffiths, Director – Member Services and Community Relations and Project Big Heart (PBH) Chair, and Kris Sieber Dunn, Managing Director, Member Services joined the meeting. Ms. Griffiths provided the 2025 PBH report, which showed strong participation from employees, including an increase in dollars received via payroll deductions. Ms. Griffiths shared that several in-person events returned in 2025 and approximately \$5,000 was raised through these events. She also shared the dates of the 2026 golf tournaments, as these are PBH's largest fundraising activities. Following a discussion, the **board voted to donate \$15,000 to Project Big Heart to be evenly divided amongst the regional office chapters.** The board also supported this donation be used for CoBank's matching grant program. Staff will follow up on the CoBank application for 2026.

#### **2026 General Assembly Wrap-up Report**

Lindsey Watson, Director – Government Affairs, joined the meeting to provide a wrap up on the 2026 General Assembly session. She provided an overview of bills that impact the cooperatives that were passed, 'killed', and also those likely to appear in the future. She closed the presentation with a forward look to 2027 and legislative priorities that are likely to surface.

## **Attorney's Report & Executive Session**

**The board voted to enter executive session for the attorney's report and executive session agenda items at 2:08 p.m. and after proper motion, voted to exit executive session at 4:07 p.m.** The board entered executive session for purposes of discussing legal, employment, negotiations with third parties, or other items of business controlled by non-disclosure agreements or other confidentiality requirements.

No action was taken during executive session.

## **Board Travel and Training**

Ms. Watts provided details for upcoming board travel, training and events.

## **April Member Communications Preview**

The April 2026 member communications preview and previous month's results were posted in BoardEffect for the board's reference.

Chairman Shipe called for any further business.

There being no further business, **the board voted to adjourn at 4:10 p.m.**

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J. Mark Wood, Secretary

Attest:

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Christopher G. Shipe, Chairman