

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

WEDNESDAY, FEBRUARY 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, February 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, 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

Interim Chief Growth Officer, Michael Dailey

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

General Counsel, Charles W. Payne, Jr.

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

Managing Director – Communications & Public Relations, Casey Hollins

Managing Director – Member Services, Kris Sieber Dunn

Vice President – Engineering & Power Supply, Chris Stoia

Grants Development, Administration, & Compliance Manager, Anna Burke

Director- Strategy Execution & Enterprise Risk Management, Justin Cruise

Director- Member Services, David Johnson

Director – Brand Strategy, Randy King

Director – Government Affairs, Lindsey Watson

Cooperative Business Solutions Representatives- Ray Beavers, Tim Messa, Triffin Zecy and Abigael Weller

Chairman Shipe called the meeting to order at 10:15 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).

Gene Campbell 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 February 25, 2026 meeting.**

Introductions and Announcements

Mr. Hewa reported that REC has selected its first permanent Chief Growth Officer, Herschel Arant, who will begin on March 9, 2026. Herschel comes to REC after decades of experience at Central Georgia EMC and other utilities.

Chairman Shipe then recognized the following directors for achieving Director Gold recertification from NRECA; Mike Lindsay, Gene Campbell, Mark Wood, and Eric Paulson.

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 September 24, 2025 Regular Meeting,**

the January 21, 2026 Regular Meeting, the January 2026 Safety Report, the January 2026 Operating Report and Presentation, and the Q4 2025 Financial Attestation.

February 2026 Strategic Initiative Update

Mr. Hewa reviewed the February strategic initiatives that will be covered in the meeting.

Unfinished Business

There was no unfinished business to come before the board.

Reports

Risk Committee Report

Randy Thomas gave the risk committee report. He shared highlights from the Q1 2026 ERM update that the committee received. He noted that REC is evaluating its NERC compliance and any necessary protocols that need to be put into place. Other focus areas remain internal controls and wildfire mitigation.

Report of the President

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He shared that Southside Virginia Community College is launching a Line Workers School capital campaign and will be making a request from REC in the near future. He shared that management recently held an REC One (all employee meeting) focused on reliability. He also informed the board of a recent security concern at a public information session hosted by Frederick County on data centers. This event was held at a high school and drew a large attendance. The crowd became unruly and a couple of attendees came up onto the stage where presenters, including two REC staff members, were seated. The second planned event was later postponed. Going forward, increased security measures will be taken when employees are presenting in public locations.

Chris Stoia, Vice President of Engineering and Power Supply joined the meeting and provided details of the Post Contingency Local Load Relief Warning (PCLLRW) that was issued during Winter Storm Fern when temperatures were below freezing, and the transmission grid was under stress. REC acted swiftly to notify members so they could plan and be safe in case load curtailment was actually implemented. Following this event, REC conducted a detailed after-action analysis and made process adjustments in coordination with its transmission providers as needed.

Lastly, Mr. Hewa informed the board that he and others will be meeting with Congressman Rob Wittman on March 20 at the Bowling Green office.

New Business

Grants Update

Anna Burke, Grants Development, Administration and Compliance Manager joined the meeting to give a grant update. She began by reviewing the grants that have been awarded and contracted. The GRIP grant (\$38M) is currently awaiting an award modification that removes all activities associated with DEI, Community Benefit Plans, and Justice40 requirements. It also removes the DERMS subproject. This will result in an approximately \$1M reduction in funding. This grant is critical to the AMI project as well as the completion of the Fiber Utility Network. REC's BrilliT affiliate was awarded two grants related to EV charging, EVCAP and REWIRED, which are in execution phase. The Virginia Energy grant for a battery energy storage system (BESS) is also underway, with RFP in process. Caroline County's prohibition on BESS may impact the final siting of this project, however, multiple alternatives have been identified.

Ms. Burke then discussed the three grants in the negotiation phase. These include projects supporting grid reliability and cybersecurity. These have been awarded and final negotiations are ongoing.

She concluded her presentation with those that are still pending decision. This includes six proposals across a wide range of functional areas. To date, REC has pursued \$507M in grants with a nine percent win rate. Contracted awards total \$42M, with \$6.4M in negotiations and \$4.7M pending decision. Mr. Hewa and the board thanked Ms. Burke and Mr. Cruise for their work alongside Dr. Muhoro on these applications that are proving beneficial for the cooperative.

Carmel Church Campus Development Presentation

Ray Beavers, Tim Messa, Triffin Zecy and team from Cooperative Building Solutions joined the meeting to provide a Carmel Church campus development update. They provided a design update noting that the General Development Plan and VDOT submittals are completed, along with the preliminary architectural design, civil, structural, mechanical, electrical and plumbing design. Work in progress currently includes the RUS environmental assessments, and geotechnical soil borings. Next steps will be jurisdictional approvals (at the Caroline County Planning Commission on February 26), continued site due diligence, and design finalization for Phase 1 & 2. They reflected on facility goals, needs assessment, and conceptual design and how those factors influence the project overall. They provided a site plan, rendering, and estimate summaries. The board thanked them for the partnership with REC on past and current projects and looks forward to the development of this new campus for REC.

Annual Meeting Proposal

Mr. Johnson, Director of Member Services and Mr. King, Director of Brand Strategy joined the meeting and provided an overview of the plans for the 2026 Annual Meeting. The virtual meeting is scheduled for August 5 and details remain largely unchanged over last year. The regions that will elect directors in 2026 are Regions IV, V, and IX.

Legislative Update

Ms. Watson, Director of Government Affairs, joined the meeting to provide an update on the 2026 legislative session. To date there have been 300+ energy-related bills. There are 18 days until Sine Die. Legislator turnover and challenges in the Division of Legislative Services staff continuity have created unforeseen situations this session. Ms. Watson continues to work to build relationships with the new legislators and their staff members to aid in minimizing these impacts to REC. Ms. Watson detailed high-priority bills and their current status. She closed by discussing the high impact data center bills, which remain disparate between the Governor's office, House and Senate versions. The budget, which was released on February 22 will be impacted by the final outcome of the data center tax exemption debate. The board thanked Ms. Watson for her tenacity and commitment to ensuring the Cooperative is well represented during a critical transition period.

Vehicle Pre-Order Request

Jason Satterwhite presented a pre-budget request for a portion of the 2027 fleet requirements. He reviewed the replacement plan guidelines in place across REC's fleet. He further explained that Kenworth is making a change to their engines due to emissions changes. The new engines (2027 model) will have a 25% price increase and an increase of more than 500 pounds for each engine. REC does not want to commit to the new engines in the first year of production. Their account managers have advised that in order for REC to receive the preferred engines (2026 model), purchase orders should be placed well in advance. Staff requested the pre-approval of six Kenworth chassis. This will represent a portion of the 2027 capital budget, but will allow for the creation of purchase orders now to hold the position in the 2026 manufacturing queue. REC will take possession of the chassis in 2027. Following discussion, **the board voted to approve \$1.05M in advance of the 2027 budget to enable ordering as described.**

Attorney's Report & Executive Session

The board voted to enter executive session for the attorney's report and executive session agenda items at 2:02 p.m. and after proper motion, voted to exit executive session at 4:29 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.

The board voted to authorize one additional hotel night/per diem for the CFC Forum in June, given the west coast location.

March Member Communications Preview

The March 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.
Ms. Gray acknowledged Ms. Carpenters return after the recent loss of her husband, Eddie.
Ms. Carpenter thanked the board and staff for their ongoing support throughout his illness.
She expressed that she was glad to be back with her REC family.

There being no further business, **the board voted to adjourn at 4:36 p.m.**

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman