

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

TUESDAY, JULY 22, 2025

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative ("REC") was held in conjunction with the VMD/ODEC Annual Meeting at the OMNI, located at 7696 Sam Snead Highway, Hot Springs, VA 24445, on Tuesday, July 22, 2025, and Wednesday, July 23, 2025 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 Financial Officer, Steven G. Roddy

Chief Grid Operations Officer, Jason Satterwhite

Chief Engagement & Consumer Officer, Tracey Steiner

Assistant Secretary & Executive Assistant, Whitney S. Watts

General Counsel, Charles W. Payne, Jr.

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

Sr. Director- Operations & Construction Services, Arthur Wholey

Managing Director – Communications and Public Relations, Casey Hollins

Principal, Jackson Thornton, Rod Ballard

Chairman Shipe called the meeting to order at 1:00 p.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).

Sanford Reaves, Jr. gave the meeting invocation. Whitney Watts 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 July 22 & 23, 2025 meeting.**

Introductions and Announcements

Mr. Hewa shared with the board the passing of REC's Director of Fleet Management, Frank Jerow. Mr. Jerow passed the previous night after a short illness. The board and Mr. Hewa reflected on Frank's many contributions to REC and his commitment to the iconic yellow trucks.

He also shared the recent departure of Josh Johnson, Director of Procurement. Mr. Johnson has taken a CEO role at an Indiana co-op, and we wish him well. He then shared the promotion of Kayla Coleman to Economic Development Manager, and Chelsea Wright to Contracts Management Manager, both in the Economic Development department. Peter Muhoro has been appointed to the Board of Georgia Tech's Energy and Policy Innovation Center.

Finally, the board and management celebrated one year without a lost time accident for the Bowling Green district.

July 2025 Strategic Initiative Update

Mr. Hewa reviewed the July 2025 strategic initiatives that will be highlighted in today's meeting.

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 June 2025 Safety Report.**

Unfinished Business

There was no unfinished business to come before the board.

Reports

June 2025 Operating Report Presentation

Mr. Roddy presented the June financial report. REC is having a strong financial year through the first half of 2025. Mr. Roddy introduced a new reporting format for the monthly financial presentation and reviewed the associated charts and graphs. Following the presentation, the **board voted to accept the June 2025 financial report and the Q2 2025 Quarterly Financial Attestation.**

Report of the President

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He shared information on the upcoming PJM capacity auction, noting that the recently implemented price cap is expected to be the rate for the coming year. He reviewed key takeaways from a recently released Department of Energy (“DOE”) report. The report highlights the need for generation to meet rising demand. He turned to Ms. Steiner to review a report from the Commission on Electric Utility Regulation (“CEUR”) on the Big Beautiful Bill and its potential impacts on REC.

New Business

Milestone Tower Proposal

Arthur Wholey joined the meeting to present the Milestone Tower proposal. REC has a long working relationship with Milestone dating back to 2012. Mr. Wholey reviewed the revenue sharing and marketing agreements in place and detailed upcoming opportunities for board consideration, specifically Paytes and Flint Hill. He closed the presentation by reviewing planned and conceptual projects for future consideration. Following the presentation the **board voted to approve moving forward with the contract as presented.**

Q2 2025 Quarterly Attestation

Rod Ballard of Jackson Thornton joined the meeting to present the Q2 2025 Quarterly Attestation. Mr. Ballard shared the overall transaction review for data center work in Q2. There were no issues noted, and he reinforced that strong internal controls are in place and working as designed. Following the presentation, the board voted to accept the quarterly report as presented from Jackson Thornton.

Communications External Strategy Presentation

Casey Hollins joined the meeting to review the external communications strategy. Ms. Hollins’ presentation reflected the desire of the board and CEO to tell REC’s story to the membership in a strategic way. REC has been very proactive in its efforts to manage the data center influx in the region and telling the story to members is a key component for future success. The board and management team endorsed the strategy, and she and her team will work to implement it in the coming months.

Attorney’s Report & Executive Session

The board voted to enter executive session for the attorney’s report and executive session agenda items at 3:00 p.m. and after proper motion, voted to exit executive session at 4:45 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.

Following the executive session **the board voted to suspend the meeting until tomorrow morning, July 23 following the RE Communications meeting.**

The board reconvened at 9:30am Wednesday morning.

Executive Session

The board voted to enter executive session for executive session agenda items at 9:35 a.m. and after proper motion, voted to exit executive session at 10:30 a.m. The board entered executive session for purposes of conducting the annual CEO performance evaluation.

No action was taken during executive session.

Following the executive session, **the board voted to implement a pay increase of 5% for CEO Hewa as well as payment of his annual bonus eligible amount.**

Board Travel and Training

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

Regional Meeting Voting Delegate

The board voted to appoint Gene Campbell as voting delegate for the NRECA regional meeting. The board voted to appoint John Hewa as the alternate.

August Member Communications Preview

The August 2025 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 10:55 a.m.**

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman