

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

M I N U T E S

WEDNESDAY, JUNE 25, 2025

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative ("REC") was held at REC's headquarters office, located at 247 Industrial Ct., Fredericksburg, VA 22404, on Wednesday, June 25, 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 were:

*President & Chief Executive Officer, John D. Hewa
Chief Human Resources Officer, Patricia J. Hatcher
Chief Strategy, Technology & Innovation Officer, Peter Muhoro
Interim Chief Growth Officer, Michael Dailey
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 joined the meeting for various presentations:

Managing Director – Operational & Construction Support Services, John Crawford

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 June 25, 2025 meeting.

Introductions and Announcements

Mr. Hewa provided an update on several organizational changes including the transition of John Ragone from Economic Development to Director, Power Production and Origination, the metering group moving to the AMI umbrella, and the movement of O&C Services, and Vegetation Management groups following John Crawford's retirement at the end of July. All of these changes are aligning the organization with the needs of the future.

Mr. Hewa then reminded the board of the Power Hour with members that he and Chairman Shipe will be on tomorrow, June 26. He also informed the board that he will be speaking at the CFC Forum and for a CFC Podcast. Additionally, Peter Muhoro will be speaking at the Texas Statewide next month.

June 2025 Strategic Initiative Update

Mr. Hewa reviewed the June 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 minutes of the April 29, 2025 Regular Meeting, the minutes of the May 21, 2025 Regular Meeting, May 2025 Safety Report and the

triennial policy review of the Cybersecurity, Financial Planning, and Loan Funds policies. The retirement of the Policy for Transition to Normal Payment and Collection Processes Following Covid-19 Disconnection Moratorium was also included.

Guest Speaker

The board welcomed the CEO of ODEC, Chris Cosby, for a presentation and discussion. Andrew Vehorn, SVP of Member Engagement and Mike Wise, SVP of Power Supply also joined the meeting. Mr. Cosby provided an overview of ODEC activities and future outlooks. The board and ODEC leadership had a collaborative conversation on REC's strong relationship with ODEC.

Unfinished Business

Affiliate Code of Conduct Policies

The board then reviewed updated draft policies of the Affiliate Code of Conduct. The updated drafts reflect the changes and clarifications that the board requested at the May meeting. Following review, the **board voted to adopt the policies as presented.**

Reports

HR Committee Report

Sanford Reaves, Jr. gave the HR Committee Report. The committee was informed of a proposal for Supplemental Disability Insurance for senior leadership that would address the gap of standard policy limits. The committee recommended the proposal for adoption. **The board voted to approve the proposal as presented.**

May 2025 Operating Report & Presentation

Steven Roddy presented the May 2025 Operating Report. Revenue YTD is \$232M on a budget of \$223M. Expenses remain slightly over budget due to storms earlier in the year. Expenses are \$223M versus the budgeted amount of \$218M. Margins year to date are \$14.1M versus a budgeted \$10.1M. 2025 has been a strong financial year to date for the Cooperative. Mr. Roddy concluded the presentation with a preview of a new reporting format for monthly financials, which will use waterfall charts to aid in the boards understanding of the variance from budget to monthly actuals.

Report of the President

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He recapped the intern program and shared information with the board about those interns who would be joining today's meeting for lunch.

Lunch with REC Interns

The board welcomed several of the current interns for a lunch interaction. The interns shared their current educational pursuits, as well as a recap of the projects they are working on at REC.

New Business

Pre-Approval for Fleet Budget for 2026

Mr. Satterwhite provided a preview of anticipated fleet needs for 2026. Since the pandemic, the board has approved an early order of necessary vehicles based on supply chain shortages. This approval was made ahead of the normal budget timeline to allow the work orders to be placed to 'get in line' and hopefully take timely delivery of ordered vehicles. For 2026, the situation remains the same for REC's largest trucks, as multiple manufacturers are experiencing long lead times. For this reason, staff requested the board pre-approve the fleet component of the 2026 capital budget. It does not increase the budgetary request for vehicle replacements and does not represent a 2025 capital expense item. **The board then voted to pre-approve the suggested budgetary request for \$5.9M.**

Construction Fund Authorization

Chairman Shipe informed the board of the need to transfer funds from the recent loan package to the construction fund. This is a \$75M transaction. No board action is needed. The Chairman will sign the internal form authorizing the electronic transfer of funds.

Capital Budget Request

John Crawford, Managing Director of Operational and Construction Support Services, joined the meeting to make a capital budget request. Due to the phasing out of support from Microsoft for Windows 10, along with aging, the dispatch consoles in the Operations Center need to be replaced in 2025. The capital budget request was made in an amount not to exceed \$175,000. **The board voted to approve this necessary upgrade to the equipment.**

Appoint Directors to Hyperscale Generation Services (HGS) Board

Chairman Shipe asked the parliamentarian, Charlie Payne, to facilitate the appointment of directors to the HGS board. Mr. Payne called for the vote by acclamation to appoint the slate of nine directors, who also currently serve as REC directors, to the HGS board. Following the motion, the board voted to appoint the nine inaugural directors of HGS. The HGS Board will convene an organizational meeting in July.

Resolution to Honor the Service of John Crawford

The board invited John Crawford into the meeting to recognize him for his many years of service to the industry and to REC upon his upcoming retirement. Mr. Crawford's vast knowledge and analytical skills have benefited the Cooperative's membership since he joined REC as part of the 2010 acquisition. **The board then voted to adopt a resolution to Honor the Service of John Crawford.** Chairman Shipe read the resolution aloud and presented it to Mr. Crawford.

Resolution # 2025-06-01

Honorary Service Resolution

Resolution to Honor the Service of John S. Crawford

WHEREAS, John S. Crawford, Managing Director of Operational Support Services, is responsible for the oversight of a wide range of functions and activities, including vegetation management, system operations, field communications, and more; and

WHEREAS, Mr. Crawford joined Rappahannock Electric Cooperative in January 2010 through REC's acquisition of Allegheny Power's territory, where he served more than 24 years; and during his distinguished career John has served the REC membership, staff, community and environment with the upmost care, respect, integrity, and service; and

WHEREAS, John has demonstrated the qualities of an innovative leader, having been a driving force in advancing operational capabilities and modernizing infrastructure. His deep expertise in grid engineering and operations were instrumental in transforming the dispatch center into a fully integrated operations center; and

WHEREAS, under his leadership, efforts made significantly improved grid awareness through enhanced system automation and multi-station monitoring capabilities. His insight was vital in the creation of REC's Estimated Restoration Time (ERT) initiative and the expansion of weather forecasting capabilities, both essential tools in storm preparation and response; and

WHEREAS, in addition to his technical contributions, John exemplifies strong leadership. He played a foundational role in establishing the Operations and Construction Services department, which manages numerous annual projects aimed at enhancing grid stability and meeting risk management objectives, including groundline inspections, comprehensive visual inspections, and underground utility marking and damage prevention programs; and

WHEREAS, after 15 years of dedicated service to the Cooperative, he will retire July 25, 2025; and

WHEREAS, John is an influential leader of the Cooperative. The Board of Directors, Senior Management and staff wish John Crawford, and his wife, Dorothy, the very best in their future endeavors; and

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of REC hereby honor the service and dedication and extend their gratitude to John Crawford for his contributions to the Cooperative,

membership, employees, and industry throughout his 39 total years of service.

Certificate of Secretary

I, J. Mark Wood, Secretary of the Board of Directors of Rappahannock Electric Cooperative, acting pursuant to Article VI, Section 7 of REC's bylaws as amended and restated on January 22, 2025, do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Directors of REC at a meeting held on June 25, 2025, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

This 25th day of June 2025.

J. Mark Wood
Secretary

Attorney's Report & Executive Session

The board voted to enter executive session for the attorney's report and executive session agenda items at 1:37 p.m. and after proper motion, voted to exit executive session at 3:39 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 authorize the CEO to execute a land purchase agreement for an additional parcel in the Carmel Church area, up to \$750,000.

The board voted to authorize the release of an internal policy on Delegation of Contract & Expenditure Authority to Fort Walker. The release is to include a confidentiality clause.

Board Travel and Training

Ms. Watts provided details for upcoming board travel, training and events. This included the July 20-22 VMD/ODEC Annual Meeting, and August Annual Meeting.

CFC Voting Delegate

The board voted to appoint Michael Lindsay as the CFC Voting Delegate. The board voted to appoint Randy Thomas as the alternate.

NCSC Voting Delegate

The board voted to appoint Michael Lindsay as the NCSC Voting Delegate. The board voted to appoint Randy Thomas as the alternate.

July Member Communications Preview

The July 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 3:47 p.m.**

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman