

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

THURSDAY, SEPTEMBER 26, 2024

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative (“REC”) was held at REC’s Culpeper office, located at 13525 Cedar Run Church Rd., Culpeper, VA 22701, on Thursday, September 26, 2024, 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 Engagement & Consumer Officer, Tracey Steiner
Chief Strategy, Technology & Innovation Officer, Peter Muhoro
Chief Grid Operations Officer, Jason Satterwhite
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 – Clean Energy and Energy Solutions, Karan Patel
Sr. Director – Financial Planning and Treasury Services, Michael Curley
Director – Fiber and Broadband Services, Mark Ponton
Director – Government Affairs, Lindsey Watson
Energy Services and Solutions Program Manager, Louis O’Berry*

Chairman Shipe called the meeting to order at 10:40 a.m. Thereafter, with Mr. 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.

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 September 26, 2024 meeting.**

Introductions and Announcements

Chairman Shipe thanked the board for their trust in him to serve as Chairman again for the coming year. Mr. Hewa then shared several staffing updates with the board, including that Karan Patel, Managing Director – Clean Energy and Energy Solutions – has been appointed to the Milsoft EA Advisory Board, and Cindy Musick, Sr. Director – Vegetation Management Services, has been appointed to the Utility Arborist Association Board. Ben Chang has been hired as Director – Hyperscale Energy Projects, and Anna Burke will be transitioning from supporting the CEO office to Grants Development, Administration and Compliance Manager. Michael Curley has been promoted to Sr. Director, Financial Planning and Treasury Services, and Rebecca Messerle to Sr. Director, Accounting and Internal Controls. Lastly, he updated the board that Felicia Ainsa, Director – Economic Development has taken a new role with First Energy and her last day was September 6. Additionally, he noted several recent speaking engagements for the leadership team.

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 August 2024 Safety Report, the July 2024 Operating Report, the August 2024 Operating Report, and the Q3 2024 JD Power Results.**

Reports

Report of the President

Mr. Hewa asked staff to brief the board on a member complaint related to net metering equipment requirements. Karan Patel, Managing Director – Clean Energy and Energy Solutions – joined the meeting to provide the briefing. Following the briefing, the board deemed the issue operational and a safety issue for REC's personnel as well as First Responders. The board will issue a letter to the member stating the results of the briefing.

Mr. Hewa then addressed two regulatory issues related to the State Corporation Commission.

First, he updated the Board on the status of the application for streamlined rate relief that REC submitted to the Commission on August 30, 2024. As of the September Board meeting, REC is awaiting a final order from the Commission on its rate application.

Second, he discussed REC's Petition for Declaratory Judgment, currently pending before the Commission. REC submitted the Petition to the SCC on January 23, 2024 and participated in oral arguments before the SCC on June 18, 2024. As of the September Board meeting, REC is still awaiting a Commission order on its Petition. As in-service dates for large-scale data center members are quickly approaching, REC's need for resolution of its Petition is becoming more urgent. However, there is no statutory timeframe for the Commission to act on this matter. Therefore, REC is strategically considering the option to submit an Application for Approval of an Operating Services Agreement (upon which the Commission must rule within 90 days at most) to encourage the Commission to act on this matter and allow REC to continue its progress toward developing its capabilities and capacity to serve large scale data center members in the near future.

Following the SCC update, the **board voted to adopt a resolution directing staff to take the time sensitive steps necessary to maintain business continuity.**

Resolution # 2024-09-04

Resolution to Direct Staff to Continue Development of Ability to Serve Prospective Large Load Members and Protect Existing Membership

Resolution to Direct and Authorize Staff to Develop, Finalize and Submit an Application for Approval of an Operating Services Agreement to the State Corporation Commission as Necessary to Meet the Needs of Membership

WHEREAS, Rappahannock Electric Cooperative (REC) submitted a Petition for Declaratory Judgment (Petition) as well as an Application for Approval of an Affiliates Operating Services Agreement (Affiliate Application) to the Virginia State Corporation Commission (Commission) on January 23, 2024, and

WHEREAS, on April 3, 2024, REC filed (and the Commission later granted) a motion to withdraw its Affiliate Application so that the Commission would have sufficient time to consider the important legal issues raised by REC's Petition and their impact on the Affiliates Application before ruling on the Affiliates Application itself, and

WHEREAS, the Commission convened Oral Arguments in Richmond, VA on June 18, 2024, during which REC provided support for its Petition to the Commission, including testimony by REC's Chief Executive Officer, and

WHEREAS, to date, no external parties or organizations have intervened in the proceeding or provided comments on REC's Petition on the record, and

WHEREAS, there exists no statutory schedule or deadline by which the Commission must render a decision in the Petition proceeding, and

WHEREAS, REC Staff is working diligently to develop capability and capacity to serve prospective large load members, while protecting the interests of its existing membership, primarily including the setup and structure of its affiliate organization.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Rappahannock Electric Cooperative does hereby direct and authorize Staff of REC to execute any reasonable measures Staff sees fit to preserve and maintain REC’s ability to provide electric service to its prospective large load members and protect existing membership from risk associated with serving such load, including but not limited to the development, execution, and eventual submission to the Commission of an application for approval of an Operating Services Agreement between REC, Hyperscale Energy Services, Hyperscale Energy 1, and any and all other affiliate organizations that may be necessary.

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 March 27, 2024, 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 September 26, 2024, as reflected in Rappahannock Electric Cooperative’s minute book and that the same has not been rescinded or modified in any way.

This 26th day of September 2024.

J. Mark Wood
Secretary

New Business

CO-OP PAC Presentation

Lindsey Watson, Director of Government Affairs, joined the meeting to share the annual CO-OP PAC campaign. She reminded the board of the recent rebranding from ACRE to America’s Electric Cooperative’s PAC and CO-OP PAC on the state level. Ms. Watson then reviewed the legislative successes REC and other cooperatives had in 2024 as well as shared an outlook on priorities for 2025. Ms. Watson shared that relationship building with new legislators, of which there were many in 2024, has been made possible by donations and support of the PAC. Ms. Watson then detailed the campaign for the America’s Electric Cooperative PAC and the statewide Co-op PAC. Board members were provided information on how to contribute if they elect to do so.

KRTA Presentation

Michael Curley, Sr. Director – Financial Planning and Treasury Services, joined the meeting to present CFC’s Key Ratio Trend Analysis (KRTA). He reviewed several key metrics over a ten-year trend. This analysis showed REC in comparison to the US median, state group, and like consumer-sized cooperatives. Overall, REC was in line with its comparators. Mr. Curley included financial, operational, and employee-based metrics in his presentation.

Advanced Financial Services

Mr. Hewa introduced Rod Ballard of Jackson Thornton as a guest to the meeting, joining via video conference. Mr. Hewa shared that he and staff, namely Rebecca Messerle and Michael Curley, have been working on a list of projects that Jackson Thornton will partner with REC on. Projects included review of overhead allocations, third party review of large load financial transactions, as well as resolution on processes related to closing of work orders. The work will begin on these items in the coming days and staff will provide an update in early 2025 to the board.

Hyperscale Energy Services Update

Tracey Steiner gave an overview of Hyperscale Energy Services 2025 budget planning. She shared a comparison of initial forecast from a year ago, to what is currently anticipated to be the needed budget for 2025, and there was very little change. She highlighted the areas that showed a variance and explained each. She then discussed with the board the need for seed capital and the associated timing. Following discussion, Ms. Steiner will bring a resolution to the October meeting for REC to make an initial investment into HES.

Amazon Guest Presentation

Craig Sundstrom, lead of Energy and Environment Public Policy for AWS joined the meeting via video conference. Mr. Sundstrom gave an overview of AWS project goals as well as their clean energy efforts already and place as well as future goals. The board and Mr. Sundstrom had a dialogue around REC’s relationship with AWS and the many ongoing

projects currently underway. The board thanked AWS for their trust in REC, and the coop looks forward to serving them for many years to come.

Vividly Brighter – REC Electrician Services

Louis O’Berry joined the meeting and shared a presentation on the Vividly Brighter REC Electrician Services program. The program was originally designed as a value-added service and with current demands, is being restructured to better meet needs of today. Mr. O’Berry shared a list of product offerings and associated pricing, as well as strategies the department plans to execute in the next 12 months. He closed the presentation with a five-year forecast on financials of the program.

Demand Side Management

Due to time constraints, this presentation will be moved to the October meeting.

Signatory Resolutions

Chairman Shipe shared two resolutions that needed to be updated based on staffing changes. **The board voted to approve the Resolution to Approve the RUS, CoBank signatories.**

Resolution # 2024-09-02

Signatories Resolution

Resolution to approve Updating CoBank, U.S Department of Agriculture - RUS, and National Rural Utilities Cooperative Finance Corporation (CFC) and other Financial Institutions Authorized Signatories

- WHEREAS,**the Rappahannock Electric Cooperative (“Cooperative”) Board of Directors (“Board”) appoints and authorizes certain positions as signatories; and
- WHEREAS,**for purposes of ensuring that updated information pertaining to authorized Officers is provided to CoBank, U.S. Department of Agriculture - RUS, and National Rural Utilities Cooperative Finance Corporation (CFC) and all other financial institutions (collectively “Institutions”), the Board requests that the Cooperative provide and file with the Institutions updated authorized signatories to reflect current officers of the Cooperative, as described herein; and
- WHEREAS,**as authorized under Article VI of the Cooperative Bylaws, and entitled “Officers of the Cooperative”, one of the following Officers are authorized to conduct financial business matters relating to the Institutions on behalf of the Cooperative: (i) Michael Curley, Senior Director – Financial Planning and Treasury Services and Assistant Treasurer (ii) Tracey Steiner, Chief Engagement and Consumer Officer, (iii) John Hewa, President and CEO, who are officers designated and elected by the Board; and
- NOW, THEREFORE, BE IT RESOLVED** the Board of the Cooperative hereby approves, in accordance with all of the foregoing and request that the Cooperative submit updated Institution Officer authorized signatory forms to all financial institutions currently conducting business with the Cooperative, as instructed by the Institutions; and.
- FURTHER, BE IT RESOLVED** the Board hereby authorizes any one of the following Officers of the Cooperative to conduct Institution financial business matters on behalf of the Cooperative: (i) Michael Curley, Senior Director – Financial Planning and Treasury Services and Assistant Treasurer (ii) Tracey Steiner, Chief Engagement and Consumer Officer, (iii) John Hewa, President and CEO.

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 March 27, 2024, 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 September 26, 2024, as reflected in Rappahannock Electric Cooperative’s minute book and that the same has not been rescinded or modified in any way.

This 26th day of September 2024.

J. Mark Wood
Secretary

Resolution # 2024-09-03

CoBank Signatories Resolution

WHEREAS, the above named entity (the “Borrower”), under its formation and organization documents (the “Organizational Documents”), has full power and authority to borrow money, to secure the same with its own property and property delivered to it for marketing or otherwise and to perform all obligations associated therewith.

WHEREAS, the Board of Directors of the Borrower (the “Board”) has determined that it is in the best interest of the Borrower to become a member of CoBank, ACB (“Lender”) and to enter into the transactions described in this Resolution.

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner, with the Board having full power and authority under the Organizational Documents to adopt this Resolution and legally bind the Borrower to the terms hereof.

NOW, THEREFORE, BE IT RESOLVED, that each of the following persons or positions (line out any not to be authorized under this Resolution) , President & CEO, Chief Engagement & Consumer Officer, Sr. Director Financial Planning & Treasury Services and any others to be authorized under this Resolution (insert titles only) _____ (the “Authorized Signatories”)

of the Borrower are hereby jointly and severally authorized and empowered to obtain for and on behalf of the Borrower from time to time, from Lender, a loan or loans or other financial accommodations (including, without limitation, interest rate swaps, hedges, caps, collars or similar arrangements designed to protect against fluctuations in interest rates (the “Hedging Transactions”), letters of credit, note purchase agreements and bankers acceptances) (each, a “Loan”) and for such purposes: (1) to execute and deliver such application or applications (including exhibits, amendments or notes thereto) as may be required for such Loan and all borrowings thereunder; (2) to obligate the Borrower to repay all amounts borrowed and pay such rate or rates of interest as the Authorized Signatories so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by Lender; (3) to obligate the Borrower to such other terms and conditions as the Authorized Signatories so acting shall deem proper; (4) to cause the Borrower to become a member of Lender and to obligate the Borrower to make such investments in Lender as required by Lender; (5) to execute and deliver to Lender or its nominee all such written loan agreements, interest rate swap, hedge, cap, collar or similar agreement, including any master agreement published by the International Swap and Derivatives Association, Inc. and such other documents and instruments as may be required by Lender in regard to or as evidence of any Loan made or Hedging Transaction entered into pursuant to the terms of this Resolution; (6) to pledge, grant a security interest or lien in, or assign property of the Borrower or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Borrower to Lender, and to execute and deliver to Lender or its nominee all such security agreements, pledges, mortgages, deeds of trust, financing statements and other documents as may be required by Lender in connection therewith; (7) from time to time to extend, amend, renew or refinance any such Loan and to execute and deliver all agreements,

notes, instruments and other documents as may be required in connection therewith; (8) to reborrow from time to time all or any part of the amounts repaid to Lender on any Loan made pursuant hereto (whether for the same or a different purpose); (9) to execute and deliver to Lender such agreements, addenda, documents or instruments as may be required by Lender in the event that the Borrower elects to use Lender's electronic banking system (the "System"); (10) to execute and deliver to Lender any agreements, addenda, authorization forms and other documents or instruments as may be required by Lender in the event that the Borrower elects to use any services or products related to a Loan that are offered by Lender now or in the future, including without limitation an automated clearing house (ACH) service; (11) to direct and delegate to designated employees of the Borrower the authority to direct, by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein, and to direct Lender to deliver any property of the Borrower at any time held by Lender; and (12) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees and to direct the proceeds of advances to authorized accounts. In the absence of any direction or delegation authorized in (11) or (12) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby jointly and severally authorized to: (1) establish a Cash Investment Services Account with Lender; (2) make such investments therein as any Authorized Signatory shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby jointly and severally authorized and directed to do or cause to be done, from time to time, all things which may be necessary or proper to carry out the terms and intent of this Resolution.

RESOLVED FURTHER, that every act and action of any person heretofore executing any document or instrument delivered to Lender or its designee or required to create, make, enter into, perform, amend or confirm any obligation of the Borrower to or in favor of Lender, is hereby ratified, approved, adopted and confirmed as if it had been validly and lawfully authorized upon and as of the date of such act or action, notwithstanding any invalidity, defect or insufficiency that may exist or may have existed in the power or authority of such person then executing such document or instrument, and every such person and each of the Authorized Signatories are hereby jointly and severally delegated all necessary power and authority to effect the foregoing.

RESOLVED FURTHER, that any of the Authorized Signatories are hereby authorized and directed to cast the ballot of the Borrower in any and all proceedings in which the Borrower is entitled to vote for the selection of a member of Lender's board of directors or for any other purpose.

RESOLVED FURTHER, that this Resolution shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by Lender; provided that no such revocation or amendment shall affect the validity of any action or actions made or taken in reliance on such resolution(s) prior to the effective date of revocation. In addition, all authorities herein granted shall apply with equal force and effect to the successors in office of the Authorized Signatories herein named.

RESOLVED FURTHER, that effective on the date when this Resolution is delivered to Lender, any and all prior resolutions authorizing and empowering Authorized Signatories of the Borrower to take actions as described herein are hereby revoked; provided that no such revocation shall affect the validity of any action or actions made or taken by Lender prior to the effective date of revocation.

RESOLVED FURTHER, that the Secretary or Authorized Signatory of the Borrower is hereby authorized and directed to certify to Lender a copy of this Resolution, the names and specimen signatures of the Authorized Signatories, and if and when any change is made in the personnel of any Authorized Signatories, the fact of such change and the name and specimen signatures of the new Authorized Signatories. Lender shall be entitled to rely on any such certification until a new certification is actually received by Lender.

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 March 27, 2024, 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 September 26, 2024, as reflected in Rappahannock Electric Cooperative’s minute book and that the same has not been rescinded or modified in any way.

This 26th day of September 2024.

J. Mark Wood
Secretary

Unfinished Business

CARE Charity Region 6 Vacancy

Ms. Watts informed the board that CARE Charity recently updated their bylaws to have the regions overlap with REC’s board regions. As such, this created vacancies in Regions I, VI, and IX. Ms. Linda Gray nominated Takeisha Frye from Caroline County for Region VI. After discussion and review of her biography, the **board voted to appoint Takeisha Frye to Region VI of the CARE Charity Board**. Mr. Lindsay and Mr. Campbell will be bringing forward candidates as they are identified for appointment.

Great Co-ops Board Evaluation Process

Great Co-ops staff kicked off the board evaluation process with the board. Staff left the room during this time. The board will conduct interviews with Great Co-ops individually during the month of October. In November, the Executive Committee will meet with Great Co-ops and then a full board retreat will be scheduled in the December/January timeframe.

Attorney’s Report & Executive Session

The board voted to enter executive session for the attorney’s report and executive session agenda items at 2:57 p.m. and after proper motion, voted to exit executive session at 5:11 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 updated the board on REC’s transition from Boardpaq to BoardEffect. The sunset date for Boardpaq is January 2025. REC will complete it’s conversion to the new software in November 2024 and directors will receive training at that time. The first meeting on the new software will be the January 2025 meeting. Ms. Watts also discussed the possibility of moving the meeting to the fourth week of the month for 2025 when calendars allow. Hearing no objections, Ms. Watts will provide a draft meeting schedule for 2025 at the October meeting.

October Member Communications Review

The board received a preview of the planned October member communications and report of the prior month’s digital engagement statistics.

Chairman Shipe called for any further business.

There being no further business, **the board voted to adjourn at 5:27 p.m.**

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman