

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

WEDNESDAY, JANUARY 21, 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, January 21, 2026, pursuant to a five-day prior notice, all in accordance with REC’s Bylaws. The following directors were present:

Eugene L. Campbell, Jr., 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 joined the meeting virtually for various presentations:

Managing Director – Communications & Public Relations, Casey Hollins

Vice President – Engineering & Power Supply, Chris Stoia

Principal Engineering Manager – Major Energy Project, Lee Brock

Economic Development Manager – Kayla Coleman

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 January 21, 2026 meeting.**

Introductions and Announcements

Mr. Hewa reported that Jeff Henry, Director of Member Services and Community Engagement has completed the MIP program. He shared a photo from the CoBank CEO event in December which featured President George W. Bush. He thanked the board for their participation and engagement in the Agribusiness Council and Inaugural events in Richmond over the past week. He closed by sharing that Hyperscale Energy has issued its first bill to its first customer, bringing to life the hard work over the past few years to bring the company to life.

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 December 12, 2025, Special Called Meeting, the November 2025 Safety Report, the December 2025 Safety Report, the November 2025 Operating Report and Presentation, the Comprehensive Rate Policy, and the Final 2026 Operating Plan Updates.**

January 2026 Strategic Initiative Update

Mr. Hewa presented the board with a year in review presentation for 2025. He highlighted accomplishments and notable headlines for 2025. His presentation included various departments across the co-op and its affiliates. Mr. Hewa thanked the employees for their dedication to REC's mission and outstanding service to the membership. After completing the 2025 year in review, he shared broad goals for 2026 with the board.

Unfinished Business

Final Authorization for Land Purchase at Carmel Church

Mr. Satterwhite provided the board with a brief update on the development plans for the Carmel Church property. The next step in the process is for the draft plan to go before the Caroline County Planning Commission next month. During the February board meeting, Cooperative Building Solutions (CBS) will be on site to give a thorough overview of the project to the board. Following the briefing, the **board voted to adopt the resolutions authorizing the purchase of the land parcels at Carmel Church.**

Resolution # 2026-01-04

RESOLUTION

Resolution Regarding the Purchase of Property Located In Carmel Church, Caroline County, Virginia

WHEREAS, Rappahannock Electric Cooperative, a Virginia corporation ("Corporation") entered into a Real Estate Purchase and Sale Agreement with Partnership Blvd Properties LLC, ("Seller") dated as of March 31, 2025 (the "Purchase Agreement"), attached hereto as Schedule 1, to purchase certain real property consisting of approximately 48 acres located in Carmel Church, Caroline County, Virginia, being known as Tax Map Parcels 82-21-1, 82-21-J, 82-21-K, 82-10-A, 82-10-C, 82-21-H, 82-21-G, 82-21-2, 82-21-F, 82-21-E, 82-21-I, 82-21-L (the "Property"); and

WHEREAS, the Corporation will close on the purchase of the Property on or around July 1, 2026; and

WHEREAS, the Board of Directors ("Board") of the Corporation is authorized to take such actions on behalf of the Corporation as it considers necessary or appropriate to perform its obligations hereunder and to accomplish the Corporation's purpose; and

WHEREAS, the Board believes it to be in the best interest of the Corporation to purchase the Property pursuant to the terms and conditions of the Purchase Agreement and the transactions contemplated under the Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves and authorizes the Corporation's purchase of the Property pursuant to the terms and conditions of the Purchase Agreement; and

FURTHER RESOLVED, that this Board of Directors authorizes and directs John Hewa as Chief Executive Officer, Steven Roddy as Chief Financial Officer, and Jason Satterwhite as Chief Grid Operations Officer, all of whom or any of whom may act (each and "Authorized Officer" and collectively, the "Authorized Officers"), on behalf of the Corporation, to negotiate, execute, and deliver any and all other instruments and documents, all with such changes therein and additions thereto as such Authorized Officer in his discretion may approve, and to perform and take all actions as each Authorized Officer shall determine to be necessary or desirable to carry out the purpose and intent of the foregoing resolutions to cause the Corporation to purchase the Property; and

FURTHER RESOLVED, that any actions taken on behalf of the Corporation by any Authorized Officer, prior to the date hereof in connection with the transactions contemplated by the Purchase Agreement are hereby deemed ratified, approved and confirmed.

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 January 21, 2026, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

This 21st day of January 2026.

J. Mark Wood

RESOLUTION

Resolution Regarding the Purchase of Property Located In Carmel Church, Caroline County, Virginia

WHEREAS, Rappahannock Electric Cooperative, a Virginia corporation (“Corporation”) entered into a Real Estate Purchase and Sale Agreement with Caroline Commercial Development Inc., (“Seller”) dated as of June 30, 2025 (the “Purchase Agreement”), attached hereto as Schedule 1, to purchase certain real property consisting of approximately 12.5 acres located in Carmel Church, Caroline County, Virginia, being known as Tax Map Parcel 80-A-169 (the “Property”); and

WHEREAS, the Corporation will close on the purchase of the Property on or around August 1, 2026; and

WHEREAS, the Board of Directors (“Board”) of the Corporation is authorized to take such actions on behalf of the Corporation as it considers necessary or appropriate to perform its obligations hereunder and to accomplish the Corporation’s purpose; and

WHEREAS, the Board believes it to be in the best interest of the Corporation to purchase the Property pursuant to the terms and conditions of the Purchase Agreement and the transactions contemplated under the Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves and authorizes the Corporation’s purchase of the Property pursuant to the terms and conditions of the Purchase Agreement; and

FURTHER RESOLVED, that this Board of Directors authorizes and directs John Hewa as Chief Executive Officer, Steven Roddy as Chief Financial Officer, and Jason Satterwhite as Chief Grid Operations Officer, all whom may act or any of whom may act (each and “Authorized Officer” and collectively, the “Authorized Officers”), on behalf of the Corporation, to negotiate, execute, and deliver any and all other instruments and documents, all with such changes therein and additions thereto as such Authorized Officer in his discretion may approve, and to perform and take all actions as each Authorized Officer shall determine to be necessary or desirable to carry out the purpose and intent of the foregoing resolutions to cause the Corporation to purchase the Property; and

FURTHER RESOLVED, that any actions taken on behalf of the Corporation by any Authorized Officer, prior to the date hereof in connection with the transactions contemplated by the Purchase Agreement are hereby deemed ratified, approved and confirmed.

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 January 21, 2026, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

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J. Mark Wood
Secretary

Reports

December 2025 Preliminary Financial Report

Mr. Roddy presented the preliminary December 2025 Operating Report. REC had a record financial year in 2025. He reviewed significant variances that impacted the budget. Year-to-date Operating Margins ended at \$13.4M, Non-Operating Income was \$13.9M, and Net Margins were \$45.2M. After questions and discussion concluded, the **Board voted to receive the preliminary 2025 Operating Report as presented.**

Q4 2025 Data Center Attestation Report

Rod Ballard of Jackson Thornton joined to give the board the Q4 2025 data center attestation. Mr. Ballard was pleased to report that there were no material issues found in the reporting period. He noted that during the reporting period there was \$54.6M in CIAC

funds received, and \$23.1M in expenditures, leaving the balance \$31.5M more than the start of the quarter. The attestation reported on 16 projects with a quarter ending balance of \$307.4M.

Report of the President

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He updated the board that the Cooperative's "Blue Book" of design standards is now complete.

New Business

Resolution to Honor the Service of Lee Brock

Ms. Brock joined the meeting, where Chairman Shipe and Mr. Hewa enthusiastically thanked her for more than 30 years of service to REC. A video tribute highlighting Lee's career was shared. **The board voted to adopt a resolution honoring the service of Lee Brock.**

Resolution # 2026-01-01

Honorary Service Resolution

Resolution to Honor the Service of Leesetta "Lee" Brock

WHEREAS, Leesetta "Lee" Brock, Principal Engineering Manager - Energy Projects, is responsible for the oversight of a wide range of engineering functions and activities; and

WHEREAS, Ms. Brock joined Rappahannock Electric Cooperative in October 1995 as an Environmental Planning Engineer and during her distinguished career has served the Cooperative's membership, staff, community and environment with the upmost care, respect, integrity, and service; and

WHEREAS, Lee has demonstrated the qualities of a capable leader, having served as Director of System Planning, Manager of Engineering, Managing Director of Engineering and Power Supply, and Principal Engineering Manager – Energy Projects during her more than 30 year tenure; and

WHEREAS, she embodies a true compassion for the REC members, and her fellow employees, always willing to share advice or a good laugh (or cry), and being willing to seek resolution to any issue; and

WHEREAS, Ms. Brock had planned to retire in 2023 until an unprecedented wave of large loads began siting in REC's territory. Recognizing her unique knowledge of REC's grid and ability to work well with members of all sizes, REC's CEO appointed her to the role of Principal Engineering Manager – Energy Projects. During the capstone of her career, Lee enabled large load customers, primarily data centers, to see the cooperative difference. Her ability to understand the needs of these members, and work to ensure that they received world class service resulted in more than 5,000MW of additional load for the Cooperative; and

WHEREAS, in the words of her beloved Walt Disney, "It's kind of fun to do the impossible," now, after 30 years of dedicated service to the Cooperative, she will retire January 15, 2026; and

WHEREAS, Lee is an influential leader of the Cooperative. The Board of Directors, Senior Management and staff wish Lee Brock, and her husband, Greg, the very best in their future endeavors; and

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of REC hereby honors the service and dedication and extend their gratitude to Lee Brock for her contributions to the Cooperative, membership, employees, and industry throughout her 30 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 January 21, 2026, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

This 21st day of January 2026.

J. Mark Wood

Economic Development and Engineering Joint Presentation

Mr. Stoia, Vice President – Engineering and Power Supply and Ms. Coleman, Economic Development Manager, joined the meeting and gave a joint presentation on several large non-data center load projects that are in process within REC’s territory. The seven projects they discussed represent approximately 100MW combined of new load in the next five years.

Capex LP-DF Reserve Resolution

Mr. Roddy reviewed a procedural resolution for the board that creates a dedicated reserve fund so that the costs of replacing grid infrastructure built specifically for large load members (and paid for with a 100 percent CIAC contribution) are paid for by those members — not by REC’s general membership. The reserve fund ensures there is no cross-subsidization between membership classes and that capital credits for large load members are calculated fairly, accounting for the money set aside for future infrastructure replacement. Following the discussion, the board voted to adopt the resolution

Resolution # 2026-01-02

Resolution to Establish a Capital Investment Recovery Reserve for LP-DF Members

WHEREAS, the Board of Directors of Rappahannock Electric Cooperative (REC) has authorized Staff to develop and implement a Large Power – Dedicated Facilities (LP-DF) rate schedule to serve large load members requiring dedicated infrastructure; and

WHEREAS, the LP-DF rate schedule provides for the construction, ownership, and operation of dedicated distribution facilities including substations and related infrastructure specifically designed to serve LP-DF members; and

WHEREAS, the revenue requirement for LP-DF service includes a Capital Investment Recovery component designed to accumulate funds for the future replacement of capital assets serving LP-DF members; and

WHEREAS, prudent utility financial management requires that funds collected for future capital replacement be set aside in a dedicated reserve before calculating and allocating capital credits to LP-DF members; and

WHEREAS, establishing a Capital Investment Recovery Reserve ensures that LP-DF members fund their own future infrastructure replacement needs rather than relying on general membership equity or future rate increases; and

WHEREAS, separating the Capital Investment Recovery Reserve from net margins before capital credit allocation aligns with the Board’s policy to maintain separation between LP-DF and legacy member financial obligations and prevents cross-subsidization; and

WHEREAS, the reserve should be recorded as a liability on REC’s balance sheet, distinct from member equity, and managed in accordance with sound accounting principles and applicable regulatory requirements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Rappahannock Electric Cooperative does hereby direct the Chief Executive Officer, or his designee, to establish a Capital Investment Recovery Reserve for LP-DF members, which shall:

1. Be funded from the Capital Investment Recovery component included in the LP-DF revenue requirement;
2. Be excluded from LP-DF net margins prior to the calculation and allocation of capital credits to LP-DF members;
3. Be recorded as a liability on the Cooperative’s balance sheet, separate from member equity;
4. Be used solely for the future replacement, renewal, or major repair of capital assets dedicated to serving LP-DF members;
5. Be administered in accordance with sound accounting principles, applicable regulatory requirements, and such policies and procedures as the Chief Executive Officer or Chief Financial Officer may establish; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or his designee, is authorized to take such actions and execute such documents as may be necessary or appropriate to implement this resolution, including but not limited to establishing appropriate accounting procedures, internal controls, and reporting mechanisms for the reserve.

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 January 21, 2026, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

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J. Mark Wood
Secretary

Legislative Session Update

Ms. Steiner provided a high-level overview of General Assembly updates for the 2026 session. REC and the coops will be playing defense on several bills, while supporting others. With the significant turnover in the house and senate, as well as a new Governor, there will be a strong focus on education and relationship building this session.

Loan Fund Authorization

Mr. Roddy updated on a necessary transaction moving \$55M in loan funds from the construction fund trustee account to the general fund. The board acknowledged the transaction and Chairman Shipe will complete the associated documentation.

Appoint New Assistant Treasurer

Michael Curley, Sr. Director Budgets and Financial Planning will retire on January 31, 2026. With Michael's retirement pending the **board voted to appoint Melody Peace, Director of Finance as Assistant Treasurer effective February 1, 2026.** The board also voted to adopt a resolution for the associated signatory authority needed for a variety of financial transactions.

Resolution # 2026-01-03

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”) holds its annual meeting in August of every year for purposes, among other things, to elect the officers of the Cooperative (“Officers”); and

WHEREAS, the Board held its most recent organizational meeting on Wednesday, January 21, 2026 (“Meeting”), And elected the Officers of the Cooperative; 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, in accordance with the Meeting and as authorized under Article VI of the Cooperative Bylaws, as last amended January 2025, and entitled “Officers of the Cooperative”, the following Officers are authorized to conduct financial business matters relating to the Institutions on behalf of Cooperative: (i) John D. Hewa, President and CEO, (ii) Steven Roddy, Chief Financial Officer, (iii) Melody Peace, Director of Finance and Assistant Treasurer, who are officers designated and appointed 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 the following Officers of the Cooperative to conduct

Institution financial business matters on behalf of Cooperative: (i) John D. Hewa, President and CEO, (ii) Steven Roddy, Chief Financial Officer, (iii) Melody Peace, Director of Finance.

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 January 21, 2026, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

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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 2:00 p.m. and after proper motion, voted to exit executive session at 2:45 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 authorize CEO to enter into executive employment agreement with Steven Roddy, CFO, in the same form as the existing executive agreements.**

Board Travel and Training

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

February Member Communications Preview

The February 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.

Randy Thomas disclosed that his son has taken a position with United Utility Supply. Proper guardrails have been put in place, and he will not be servicing the REC account, as the co-op has a long-standing existing relationship with UUS.

There being no further business, **the board voted to adjourn at 3:18 p.m.**

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman