

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

WEDNESDAY, MAY 27, 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, May 27, 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 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

Chief Growth Officer, Herschel Arant

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

Managing Director – Regulatory Affairs & Compliance, Brian Doherty

Managing Director – Member Services, Kris Sieber Dunn

Director – Accounting & Internal Controls, Joshua Thompson

Director – Member Services, David Johnson

Director - Finance, Melody Peace

Regulatory Analyst, Ana Cardenas

Chairman Shipe called the meeting to order at 10:05 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 May 27, 2026 meeting.**

Introductions and Announcements

Mr. Hewa shared that REC has again been named a Top Workplace for Interns. He then shared various speaking engagements that the leadership team is participating in. Joshua Thompson, Director of Accounting and Internal Controls, joined the meeting and introduced himself to the board. The board looks forward to working with him on the audit and other projects in the future. Mr. Hewa closed the introductions portion of the meeting by sharing a recap of the 2026 Gaff N Go line workers rodeo that occurred on May 15-16, 2026. He and Mr. Satterwhite highlighted REC’s outstanding performance, including photos and finishing times for the events. Mr. Satterwhite thanked the board for their ongoing support of the event.

Mr. Shipe shared with the board that NRECA has once again recognized REC for their 100% board and leadership support of the America’s Electric Cooperative’s PAC and he thanked them for their support.

Mr. Reaves then thanked Mr. Satterwhite and his team for their operational responsiveness during a recent after-hours event that reached a quick resolution.

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 April 2026 Safety Report, the April 2026 Operating Report & Presentation, the Q1 2026 Capital Report, and the triennial policy review including Legislative & Political Activity, Decorum, and Line Relocation by Request of the Property Owner policies.**

May 2026 Strategic Initiative Update

Mr. Hewa reviewed the current initiatives associated with this month's board materials.

Candidate Interview

The board held a meeting with Region IV candidate Latisha "Tish" Smyth. During this discussion Ms. Smyth shared her interest in the board as well as her ideas for the Cooperative in the future. The board thanked her for her interest in the board.

Unfinished Business

There was no unfinished business to come before the board.

Reports

Finance Committee Report

Mr. Lindsey gave the report from the finance committee. He shared information on the indenture process which was a follow-up from the last meeting. Following discussion, on recommendation from the finance committee, the **board voted to adopt the resolution authorizing the establishment of an indenture.**

Resolution # 2026-05-01

Approve Mortgage Indenture Resolution to Approve Creation of Mortgage Indenture

WHEREAS, Rappahannock Electric Cooperative ("REC") utilizes the mortgage process to secure debt instruments for Capital needs associated with all utility plant put into service; and

WHEREAS, the current mortgage process limits the lenders of debt to CoBank, USDA Rural Utility Service ("RUS"), and National Rural Utilities Cooperative Finance Corporation ("NRUCFC"); and

WHEREAS, those lenders have different covenants, their own defined debt limits, rules, and exposure limits for borrowers; and

WHEREAS, the trust indenture will align covenants, create one consolidated debt ceiling for borrower under a designated trustee, standardize rules, and diversify borrowing options beyond CoBank, RUS and NRUCFC; and

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Rappahannock Electric Cooperative does hereby direct and authorize the President and Chief Executive Officer of REC, or delegates as he may assign, to engage and execute on behalf of the Cooperative, the activities to pursue the establishment of a Mortgage Indenture.

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 May 27, 2026, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

This 27th day of May 2026.

J. Mark Wood
Secretary

Mr. Lindsey then shared an update on the RFP process for the audit, for which the current engagement ends this year. He noted that the committee is recommending a one-year extension of the current agreement with Adams, Jenkins, and Cheatham ("AJC"). Following the extension period, the Cooperative will issue an RFP for the next three-year audit cycle. On recommendation from the committee, **the board voted to approve the one-year extension with AJC as presented.**

Report of the President

Mr. Hewa shared an overview of the Cooperative meetings for the past month. He shared data on new connections for 2026 and included a YOY comparison, noting that growth appears to have slowed in 2026. He assured the board that management is closely watching this trend and will make business decisions accordingly. He then shared with the board highlights from a recent meeting of the Virginia Rural Center which was hosted at REC's Culpeper office. Lindsey Watson, REC's Director of Government Affairs served on this board and arranged REC as a host location. Mr. Hewa then shared a preview of the 2025 Annual Report with the board. An abbreviated version of this report will be in the June power bills, and a more in-depth report is available on the REC website. Mr. Hewa then shared details of an initiative of the Southside Virginia Community College ("SVCC") Lineworkers College. A capital campaign for expansion and further development of the project is underway, and has significant support from the state, counties, and utility stakeholders. Mr. Hewa and Ms. Hatcher both noted that REC has hired many graduates of this program. Following discussion, **the board voted to make a \$100,000 pledge to the SVCC program.** The commitment is \$20,000 per year for 5 years. Mr. Hewa closed his report with an update on the myriad of regulatory items that are in process and slated to occur soon, thus necessitating additional staffing in this area.

New Business

Top 50 Intern Recognition

Ana Cardenas, Regulatory Analyst and Fafa Baker, Director – Organizational and Workforce Development joined the meeting. Ana began her REC career as an intern and has since become a full-time employee. She was recently named a Top 50 Intern. Ms. Cardenas shared with the board an overview of her intern experience, and what excites her about now being an REC employee.

Hyperscale Generation Services Operating Services Agreement (OSA)

Brian Doherty, Managing Director -Regulatory Affairs, joined the meeting to present the HGS OSA. He provided an overview of the documents and associated filing requirements for this affiliate transaction. After discussion the **REC Board authorizes and directs REC Staff to develop and submit for approval an Application to the VA State Corporation Commission under the Affiliates Act (Code § 56-231.34:1 and 20 VAC 5-203) for an Operating Services Agreement between REC and its wholly owned subsidiary, Hyperscale Generation Services (HGS).**

Resolution Authorizing the Hyperscale Generation Services Operating Services Agreement

WHEREAS, REC previously formed Hyperscale Generation Services, LLC (“HGS”) as a wholly-owned subsidiary of the Cooperative for the purpose of pursuing generation resource and load colocation opportunities that may support large-load members within REC’s service territory, and HGS currently has no employees and does not operate pursuant to any Commission-approved affiliate arrangement, and

WHEREAS, developments in federal and state energy policy — including recent guidance from the Federal Energy Regulatory Commission regarding colocated generation and load configurations, as well as actions by the Virginia General Assembly recognizing the role of electric cooperative affiliates in serving customers exceeding ninety (90) megawatts of demand — underscore the value of REC maintaining the optionality and operational capability to facilitate generation resources commensurate with anticipated large-load growth, and

WHEREAS, REC Staff has developed a proposed Operating Services Agreement between REC and HGS, together with related application materials suitable for submission to the Commission, which arrangement provides for REC to furnish support and labor to HGS billed in accordance with Virginia Administrative Code Section 5-202-30, while preserving HGS’s independent capacity to engage with generation developers, large-load customers, and other third parties, and

WHEREAS, the proposed Operating Services Agreement and accompanying application contemplate no financial commitment, guaranty, capital contribution, loan, or other funding arrangement from REC to HGS at this time, and expressly provide that any such future financial arrangements between REC and HGS would be the subject of a separate application to the Commission filed under the applicable provisions of Chapters 3 and 4 of Title 56 of the Code of Virginia, and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Rappahannock Electric Cooperative does hereby direct and authorize the President and Chief Executive Officer of REC, or delegates as he may assign, to execute reasonable measures he sees fit to preserve and maintain REC and HGS’ ability to facilitate the exploration and establishment of generation resources in support of its prospective and existing large-load members and to facilitate the accretion of benefits to REC and the communities that it serves, including but not limited to the development, finalization, execution, and submission to the State Corporation Commission of an application for approval of an Operating Services Agreement between Rappahannock Electric Cooperative and Hyperscale Generation Services, LLC, together with such related agreements, attachments, and supporting documents as may be necessary or appropriate to obtain such approval, in substantially the form provided to and reviewed by the Board, with Staff authorized to make such non-material modifications, refinements, and corrections thereto as Staff deems necessary or appropriate prior to submission.

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 May 20, 2020, 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 May 27, 2026, as reflected in Rappahannock Electric Cooperative’s minute book and that the same has not been rescinded or modified in any way.

This 27th day of May 2026.

J. Mark Wood
Secretary

Patronage Allocation

The board voted to adopt the resolution allocating 2025 patronage.

Resolution # 2026-05-03

Approve 2025 Patronage Allocations Resolution to Approve 2025 Patronage Allocations

WHEREAS, the auditors of Adams, Jenkins and Cheatham, certified public accountants and business consultants, have completed the annual independent audit of Rappahannock Electric Cooperative's (REC) 2025 financial statements ("Statements"); and

WHEREAS, the Board of Directors has accepted and approved the Financial Audit of the 2025 Financial Statements; and

WHEREAS, the 2025 net margins have further been confirmed and determined in accordance with the Capital Credits Board Policy; and

WHEREAS, in 2025, Rappahannock Electric Cooperative recorded a total of \$42,055,663 net margins including \$16,077,612 from ODEC patronage and \$25,978,051 from REC operations; and

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Rappahannock Electric Cooperative hereby approves, in accordance with the foregoing and the Statements, the allocation of \$42,055,663 net margins to Rappahannock Electric Cooperative members' Capital Credit accounts, as provided therein.

Certificate of Secretary

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Managing Director – Member Services, Kris Sieber Dunn and Director – Finance, Melody Peace reviewed staff’s recommendations for 2026 Capital Credit retirements. Staff provided an itemization of capital credit retirements and current statistics. **After discussion, the board voted to approve the estate retirement amount for 2026-2027 of up to \$2,533,716 and the board voted to approve a REC general retirement for 2026 of up to \$7,466,284. The method of retirement will be FIFO (First in First Out) and will retire years 1991 and 1992. The minimum check issued for inactive members will be \$20.00.** These retirements are effective July 2026.

Signatory Resolution

With recent retirements it is necessary to update signatory authority for engineering roles. The board **voted to adopt the resolution granting signatory authority on certain documents.**

Resolution # 2026-05-04

Authorization to Execute Certain Documents

WHEREAS, it is necessary from time to time for Rappahannock Electric Cooperative (“Cooperative”) to release easements and execute drain field encroachments, Agreements for Purchase of Power, Eight-Year Contracts, and other similar documents; and

WHEREAS, in an effort to increase efficiency and excellent service to the customers of Rappahannock Electric Cooperative; and

WHEREAS, the Staff recommends that the Managing Directors of the Cooperative, as listed below by name and title, be authorized to execute such documents as hereinafter described,

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby authorizes that in addition to the Officers of the Corporation, the Managing Directors of the Cooperative, as listed below by name and title, are authorized to execute distribution right-of-way easements, drain field encroachment agreements, easement exchange, replacement and abandonment including, but not limited to, property owner requests on the behalf of Rappahannock Electric Cooperative; and

BE IT FURTHER RESOLVED that the Vice President of Engineering and Power Supply, as identified by name and title below, shall also have the authority to execute Agreements for Purchase of Power and Agreements for Electric Line Extension on behalf of Rappahannock Electric Cooperative.

MANAGERS OF THE COOPERATIVE AS LISTED BY NAME AND TITLE

Christopher Stoia, Vice President - Engineering and Power Supply

Chris Lybolt, Managing Director - Major Hyperscale Engineering Projects

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This 27th day of May, 2026.

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 1:23 p.m. and after proper motion, voted to exit executive session at 3:31 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 at 3:32p.m.** The meeting will be back in session at 4:00p.m.

Chairman Shipe called the meeting back to order at 4:00p.m. and the **board voted to go into executive session at 4:01p.m.** After proper motion, **voted to exit executive session at 4:28 p.m.**

There was no action taken during the executive session. Following the executive session the **board voted to increase the stipend for the board chairman to \$1500/mo. This will be effective June 1, 2026.**

Board Travel and Training

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

The board voted to appoint Mike Lindsay as the voting delegate for CFC and NCSC. The board voted to appoint Peter Muhoro as the alternate voting delegate for CFC and NCSC.

June Member Communications Preview

The June 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.

There being no further business, **the board voted to adjourn at 4:35 p.m.**

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman