

RAPPAHANNOCK ELECTRIC COOPERATIVE  
BOARD OF DIRECTORS MEETING

**MINUTES**

WEDNESDAY, OCTOBER 19, 2022

The regular meeting of the Board of Directors of Rappahannock Electric Cooperative ("REC") was held at REC's headquarters office, located at 247 Industrial Court, Fredericksburg, VA 22408, on Wednesday, October 19, 2022, 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, Eric T. Paulson, Sanford Reaves, Jr., Christopher G. Shipe, Randy Thomas, and J. Mark Wood. Michael W. Lindsay participated via video conference.*

*Also present were:*

*President & Chief Executive Officer, John D. Hewa  
Chief Engagement & Consumer Officer, Tracey Steiner  
Chief Administrative & Finance Officer, Lawrence (Larry) G. Andrews  
Chief Strategy, Technology & Innovation Officer, Peter Muhoro  
Chief Engineering and Grid Operations Officer, John Arp  
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 – Regional Operations, Jason Satterwhite  
Managing Director – Safety, Physical Security, & Operational Support Services, John Crawford  
Director – Enterprise Analytics & Innovation, Eugene Hamrick  
Director – Safety, Compliance & Security Services, John Medved  
Director – Government Affairs, Lindsey Watson  
Physical Security Specialist - Troy Wheeler

Chairman Shipe called the meeting to order at 10:23 a.m. Thereafter, with Mr. Shipe presiding, and with these minutes being transcribed under the direction of Secretary Linda R. Gray, 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.

### **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 October 19, 2022 meeting.**

### **Introductions & Announcements**

Mr. Hewa shared that two long-time REC employees have been promoted; Michael Curley is now Director – Financial Planning and Treasury Services and Rebecca Messerle is now Director – Accounting and Internal Controls. He applauded their significant contributions over many years and noted both are well deserving of this promotion. Mr. Hewa then highlighted an upcoming speaking opportunity for Larry Andrews and noted that Tracey Steiner has been appointed to an SCC Taskforce on Virginia Renewable Energy Facilities. He closed by celebrating that Eugene Hamrick has been named Top 25 in Utility Analytics Thought Leaders.

### **Approval of the Consent Agenda**

Chairman Shipe asked if there were any changes or corrections to the Meeting Minutes. After review and discussion of the Consent Agenda, the Board **voted to accept the Consent Agenda containing the Minutes of the September 21, 2022, regular Board meeting, the Minutes of the September 21, 2022 Organizational Meeting, and the September 2022 Safety Report.**

## CEO Update

Mr. Hewa then presented a CEO update. He discussed current challenges, including supply chain and inflation pricing and commodities, high energy pricing and how these will impact the 2023 budget that the board will receive at their next meeting.

## Unfinished Business

There was no unfinished business.

## New Business

### JD Power Q3 Update

Eugene Hamrick joined the meeting to present the Q3 2022 JD Power results. Overall, the industry is trending down, and REC is fairing well despite this trend. He anticipates this will continue as inflation impacts members across the territory.

### Fleet Update

Jason Satterwhite joined the meeting to present the fleet update. He highlighted REC's current fleet, noting enhanced safety features that are available. REC's fleet includes equipment such as ATV's and trailers that REC uses to enhance response to outage events and routine operations. The board thanked Jason as well as Frank Jerow, Director of Fleet Management for their commitment to REC's fleet needs and maintenance.

### ACRE Rebranding

Lindsey Watson joined the meeting to discuss the ACRE rebranding. She explained that the federal ACRE will remain the same, however, the statewide Political Action Committee ("PAC") will be rebranded to Coop PAC. This change is to make it more clear to the elected officials who the group is and where the donations are originating. She reminded the board that employees give to the state level and the management team and board give to the federal campaign. She also reminded the board that 50 percent of the ACRE donations go to the state. She provided the timeline for the annual campaign which will run through November 30. The board thanked her for her work on this important initiative. Following Ms. Watson's presentation, Mr. Lindsay shared that he will not be continuing as REC's representative on the statewide Co-op PAC board. He nominated Mr. Paulson to replace him in that role. **The board voted to appoint Mr. Paulson to the statewide Co-op PAC board.**

### C.A.R.E. Charity Board Appointments

Chairman Shipe then asked for nominees from Mr. Paulson and Mr. Lindsay for vacancies that will be incurred through the retirements of Donna Douglas and Tom Reed. Mr. Paulson and Mr. Lindsay both have candidates that they will present at the next meeting.

## Reports

### HR Committee Report

Mr. Reaves provided the HR Committee report, highlighting the presentation from the committee meeting. Based on the recommendation from the committee, the board revisited the pension study from last month. After lengthy discussion, the **board voted unanimously to approve a new RS pension plan for employees on-boarded beginning January 1, 2023 and after. Existing employees hired up to December 31, 2022 will remain on the current RS pension plan. This new plan will have a 1.5 multiplier, normal retirement age of 65, and will have a COLA adjustment.**

### August 2022 Operating Report

Mr. Andrews presented the August 2022 operating report. He noted that financials continue to be impacted by Winter Storm Frida as well as milder weather in shoulder months. There being no questions, the **board voted to accept the August 2022 Operating Report.**

### Report of the President

Mr. Hewa provided an update on Cooperative business over the past month. He provided updates on several ongoing internal activities including a single audit from Storm Tabitha,

employee engagement plan implementation, supply chain management, as well as the streamlined rate case communications.

The board then welcomed former REC CEO Kent Farmer and his wife Sharon for lunch. The board unveiled the portrait of Mr. Farmer in the lobby and enjoyed catching up on happenings in his retirement.

### **Attorney's Report & Executive Session**

Andy Sherrod, Associate Counsel, joined the meeting electronically for the Attorney's Report. **The Board voted to enter executive session for the attorney's report and executive session agenda items at 1:15 p.m. and after proper motion, voted to exit executive session at 3:41p.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**

Ms. Watts presented the 2023 draft board travel plan and proposed 2023 board meeting calendar. After discussion, the **board voted to adopt the 2023 travel plan and board meeting schedule as presented.**

### **November Member Communications Review**

The board received a preview of the planned November member communications as well as a report on results from September communications.

Chairman Shipe called for any further business.

There being no further business, **the Board voted to adjourn at 4:02 p.m.**

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Linda R. Gray, Secretary

Attest:

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Christopher G. Shipe, Chairman