

RAPPAHANNOCK ELECTRIC COOPERATIVE
BOARD OF DIRECTORS MEETING

MINUTES

THURSDAY, JUNE 20, 2024

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, with a virtual option, on Thursday, June 20, 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 (via video), Sanford Reaves, Jr. (via video), Christopher G. Shipe (via video), Randy Thomas, and J. Mark Wood.

Also present were:

*President & Chief Executive Officer, John D. Hewa
Chief Administrative & Finance Officer, Lawrence (Larry) G. Andrews
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.
Special Counsel, Bill DeGrandis
Consultant, Michael Dailey*

Chairman Shipe called the meeting to order at 8:30 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).

Gene Campbell 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 June 20, 2024 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 March 27, 2024 Regular Meeting Minutes, the April 25, 2024 Regular Meeting Minutes, the May 29, 2024 Special Meeting Minutes, April 2024 Safety Report, the May 2024 Safety Report, the March 2024 Operating Report, the April 2024 Operating Report, and the Q1 2024 Capital Report.**

Opening Comments

Chairman Shipe thanked the board for their flexibility in meeting times and schedules with two directors having funerals to attend during the regular meeting time. The July 17 meeting will be the venue for items not discussed during this meeting due to the abbreviated schedule. Mr. Hewa then covered a few co-op updates that included a brief overview of the new disconnection laws going into effect on July 1, an update on the All-Points Broadband project in Culpeper County, updates on REC’s grant applications, and that staff will be sharing an updated rate presentation next month. Mr. Hewa also noted that REC’s application for Hyperscale Energy Services is in front of the SCC, and following the June 18 hearing, REC awaits a ruling.

Unfinished Business

Wholesale Power Contract Extension

The board voted to enter executive session at 8:40am for purposes of continued discussion on a proposed extension of the wholesale power contract. The board voted to exit executive session at 10:17am. No action was taken during the executive session.

Following the executive session, **the board voted to extend the wholesale power contract as presented by ODEC, for the term of 2054-2079, contingent upon the successful execution of the data center load release for the eleven (11) proposed customers, and the fully executed MOU as proposed by ODEC for future handling of large power users who seek 1(d) load release.**

The board voted to adopt the resolution authorizing 1(d) offer from REC to ODEC.

Resolution # 2024-06-03

RESOLUTION

Authorize Presentation of 1(d) Offer(s) to ODEC

WHEREAS, REC and ODEC are aligned in their pursuit of a solution to meeting the needs of exceptionally large data center loads while, to the extent practicable, protecting the native load of REC, ODEC, and ODEC's other member cooperatives, and

WHEREAS, REC wishes to avail itself of the alternate purchase provision of Section 1(d) of the wholesale power contract between REC and ODEC in order to enable REC's affiliate to serve these new member loads,

NOW, THEREFORE, IT IS RESOLVED, that the Board of Directors of Rappahannock Electric Cooperative does hereby authorize REC staff to take any and all such actions as may be necessary to make an offer of alternate purchase to ODEC pursuant to Section 1(d) and/or pursue other means to enable REC's affiliate to be the supply provider for these loads.

Certificate of Secretary

I, Linda R. Gray, 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 June 20, 2024, as reflected in Rappahannock Electric Cooperative's minute book and that the same has not been rescinded or modified in any way.

This 20th day of June 2024.

Linda R. Gray

New Business

RUS Loan Package Presentation

Mr. Andrews reviewed the proposed loan package with the board. This loan package funds the 2023-2025 Construction Workplan. The workplan was approved in September 2023 for \$529.5 million. This loan package proposal is for \$293M and will be an RUS W-8 loan financed through Federal Financing Bank (FFB). Draws may be taken up to four (4) years after loan closing. Mr. Andrews addressed the board's questions, and the **board voted to adopt the resolution Requesting Guaranteed Federal Financing Bank (FFB) Loan.**

RESOLUTION

Requesting Guaranteed Federal Financing Bank (FFB) Loan

WHEREAS, it has been determined on the basis of the current Construction Work Plan that financing is needed for electric facilities as shown on RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, as follows:

RUS Guaranteed Federal Financing Bank (FFB) Loan Requested for Facilities \$293,000,000

NOW, THEREFORE, BE IT RESOLVED, that Rappahannock Electric Cooperative makes an application to the Rural Utilities Service pursuant to 7 CFR Part 1710 for a guaranteed FFB loan in the approximate amount of \$293,000,000 to be used in accordance with the provisions of 7 CFR Part 1710 to finance the above-mentioned facilities.

BE IT ALSO RESOLVED, that the RUS guaranteed FFB loan shall bear a maturity date to cover an approximate period of 35 years.

BE IT ALSO RESOLVED, that the Board of Directors of Rappahannock Electric Cooperative authorizes its officers to execute and attest all necessary papers, documents, and applications related to the foregoing.

BE IT FURTHER RESOLVED, that the President and CEO is authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices, and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select an option as provided in such instruments.

BE IT FURTHER RESOLVED, that Rappahannock Electric Cooperative hereby authorizes RUS to release appropriate information and data relating to the application to the FFB and any existing supplemental lenders.

Certificate of Secretary

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This 20th day of June 2024.

SEAL

Linda R. Gray

Presentation to Increase Debt Limit

Mr. Andrews also reviewed REC's current debt limit of \$1.2B. The debt limit must be greater than all outstanding loan packages. With the requested FFB loan, it is necessary for REC to increase its debt limit. Following discussion, **the board voted to adopt the Resolution to Raise the Cooperative's Debt Limit to \$1.8 Billion.**

Loan Debt Limit Increase Resolution

Resolution to Raise the Cooperative's Debt Limit to \$1.8 Billion

WHEREAS, the Board of Directors of Rappahannock Electric Cooperative ("REC" or "Cooperative") has been presented with the Cooperative's financial position and forecasts on a regular basis, and continues to govern the assets for the Cooperative and the financing necessary to support the continued safe operation of the system; and

WHEREAS, REC secures low cost financing available to Cooperatives from lenders in the best interest of its members; and

WHEREAS, the Cooperative's current Debt Limit is \$1.2 Billion, REC must increase it to \$1.8 Billion to provide the Cooperative with flexible borrowing capability; and

WHEREAS, the growth and maintenance of the system dictates securing long term loans, and therefore necessitates raising the debt limit to \$1.8 Billion; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of Rappahannock Electric Cooperative hereby authorizes an increase of the Rappahannock Electric Cooperative Loan Debt Limit to \$1.8 Billion; and

BE IT FURTHER RESOLVED, the Board of Directors authorize management to pursue the securing of financing arrangements from the Rural Utilities Service (RUS), CFC, CoBank, and other lenders.

Certificate of Secretary

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This 20th day of June 2024.

Linda R. Gray

Executive Session

The board voted to enter executive session at 10:32am for purposes of personnel matters. The board voted to exit executive session at 10:35am. No action was taken during the executive session.

Chairman Shipe called for any further business.

There being no further business, **the board voted to adjourn at 10:36 a.m.**

Linda R. Gray, Secretary

Attest:

Christopher G. Shipe, Chairman