



CBEC's 89th Co-op Annual Meeting Set for June 4

Election of two directors and recap of 2025 operations

Thursday, June 4, at 1 p.m.

Craig-Botetourt Electric Cooperative Office Facilities
26198 Craigs Creek Road (1 mile north of Rt. 311) | New Castle, Va.



Signed proxy must be received by 4 p.m., May 29, 2026.

Attendance prizes: member must be present at meeting.

NOTICE OF ANNUAL MEETING OF THE MEMBERS

The Annual Meeting of the members of Craig-Botetourt Electric Cooperative will be held at the cooperative office facilities in New Castle, Va., on June 4, 2026, at 1 p.m., for the following purposes.

1. Election of two directors
2. Recap of 2025 operations and financial activities of the Cooperative
3. Such other business as may properly come before the meeting

The nominating committee has nominated the following nominees for directors for ensuing terms:

District No. 2

Name
J.C. Winstead

Craig and Roanoke counties

Address
150 Big Mountain Road
New Castle, VA 24127

Length of Term
3 Years

District No. 3

Name
James E. Huffman

Botetourt and Montgomery counties

Address
4018 Breckinridge Road
Fincastle, VA 24090

Length of Term
3 Years

CONTACT US

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New Castle, VA 24127-0265

Phone

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Email

craigbot@cbec.coop

Website

cbec.coop



Office Hours

Monday-Friday, 8 a.m.-4:30 p.m.

President

Patrick J. Ryan

CEO

Jeff M. Ahearn

*Craig-Botetourt Electric Cooperative is an
Equal Opportunity Provider and Employer.*

Minutes of Annual Member Meeting (*Unapproved*)

June 5, 2025

The 88th Annual Meeting of the Members of Craig-Botetourt Electric Cooperative was duly convened at the Craig-Botetourt Electric Cooperative facilities in New Castle, Virginia, at 1:00 p.m. on June 5, 2025, pursuant to a Notice of Meeting in the May 2025 issue of *Cooperative Living* Magazine addressed to each member at the member's address as appears on the records of the Cooperative.

Entertainment and refreshments were provided.

The meeting was called to order by CBEC Director of Communications Maiya Ashby, who welcomed everyone to the cooperative's annual member meeting.

Ashby introduced the current Board of Directors for CBEC, who are:

- President – James Huffman
- Vice President – Pat Ryan
- Secretary-Treasurer – Jack Harlow
- Asst. Secretary-Treasurer – J.C. Winstead
- Board Member – S. Travis Shrewsbury
- Board Member – Frank Garman, Jr.

Also introduced were special guests in attendance:

- Brian Mosier, VMDAEC President & CEO
- George Goin, VMDAEC Board Chair, Board Director for Central Virginia Electric Cooperative
- Brandon Burton, VMDAEC Director of Education & Meetings
- Jim Robertson, VMDAEC Manager of Member Services

Ashby then invited Reverend Bill Frazier, pastor at the New Castle Christian Church, up to the podium to give the invocation.

Troy Duncan, CBEC's safety and training coordinator, led the Pledge of Allegiance.

Ashby announced the 2025 recipients of the VMDAEC Scholarship awards. Shailyn Wickline of James Monroe HS received the C.D Hypes Memorial Scholarship.

Jacob Wolfe of Craig County HS, and Jayden Miller of James River HS received the Worth Hudson Memorial Scholarship.

Ashby also presented staff Years of Service awards to Greg Huffman (30 years), Troy Duncan (25 years) and Jody Scott (25 years).

Ashby also recognized board member Patrick J. Ryan for 30 years of service on the CBEC Board of Directors.

Ashby introduced CBEC's attorney, Compton Biddle, to conduct the business portion of the meeting.

Attorney Biddle reported that there are 5,831 voting members of the Cooperative, and the bylaws state that 2.5%, or 146 members, must be present in person or by proxy to constitute a quorum to conduct a legal meeting.

Members present at the opening of the meeting were 24 members in person and 300 registered by proxy, for a total of 324. The names of those holding proxies were read.

The Official Notice of the Meeting was read by Attorney Biddle. This notice was mailed to all members at the member's address as it appears on Cooperative's records and appeared in the May 2025 issue of *Cooperative Living* Magazine.

Proof of Mailing of the Notice to all members of Craig-Botetourt was also read and presented at the meeting. Attorney Biddle then directed the Secretary to annex to the minutes of this meeting a copy of the Notice and Proof of Mailing.

Upon motion duly made, seconded and adopted by the members, reading of the minutes of the 87th Annual Meeting held June 6, 2024, was waived and the minutes, as previously distributed to the members, were approved as presented.

Attorney Biddle stated the next order of business was the election of two directors.

Attorney Biddle conducted the

election of directors of District No. 1 – Alleghany, Giles and Monroe (WV) counties and District No.

2 – Craig and Roanoke counties.

The Nominating Committee for District No. 1 nominated S. Travis Shrewsbury. The Nominating Committee for District No. 2 nominated Frank R. Garman, Jr. There were no nominations by petition or nominations from the floor.

Director Frank R. Garman addressed the attendees of the Annual Meeting.

S. Travis Shrewsbury also addressed the attendees of the Annual Meeting.

Kevin Stafford, Christina White and Ann Bostic acted as vote tellers. Vote tellers then proceeded to collect and count ballots.

Member Joseph Reich served as a witness for the counting of the ballots.

Attorney Compton Biddle introduced Jack Harlow, Secretary-Treasurer.

Director Harlow stated, Good afternoon, I am Jack Harlow, Secretary-Treasurer of your Cooperative. My role centers on ensuring transparency, regulatory compliance, and financial integrity. I am pleased to share a focused overview of Craig-Botetourt Electric Cooperative's financial standing for fiscal year 2024.

The 2024 financial audit, completed by Adams, Jenkins & Cheatham and presented to our Board in March, confirmed our Cooperative's records are accurate and compliant with Rural Utility Service (RUS) accounting standards. You can find the full audited statements in the May 2025 edition of *Cooperative Living* Magazine.

Key financial outcomes:

Total Utility Plant: \$57,857,795 (up \$3.2 million from 2023), reflecting targeted equipment acquisitions and service upgrades.

Operating Margin: \$196,277

(down from \$318,926 in 2023) due to increases in power costs and operating expenses.

Energy Sold: 83,010,736 kWh, a 2.9% increase.

Active Meters: 7,447, up from 7,391.

As a member-owned cooperative, we allocate net operating margins to members in the form of capital credits. In 2024, the board retired approximately \$270,000 in credits.

The decision to retire future credits depends on our financial health, including equity levels and cash flow. Thank you for your trust and engagement. It is an honor to support our mission of sound financial stewardship.

CEO, Jeff Ahearn, invited the Board President, James Huffman, to the podium to speak.

Huffman stated, Good afternoon, my name is James Huffman, and I am the President of the board of directors of Craig-Botetourt Electric Cooperative, your electric cooperative.

I welcome you to our Annual Meeting and thank you for your continued support of Craig-Botetourt Electric Cooperative.

Our Cooperative operates on foundational principles: Open Membership, Democratic Control and Concern for Community. These principles guide every decision we make on your behalf.

As your elected Board, we meet monthly to evaluate performance, review financials and provide strategic oversight. We ensure alignment with RUS guidelines, our bylaws and state regulations. In 2024, we worked closely with management to guide the Cooperative through both opportunities and challenges.

Notable progress in 2024:

- Strategic investment of \$3.2 million, expanding our utility infrastructure and enhancing service reliability.
- Continued deployment of Advanced Metering Infrastructure (AMI), equipping members with actionable energy data.
- Execution of a new power supply

agreement with AEP Energy Partners, replacing our APCO contract set to expire in 2026.

- Growth to 7,447 active meters and an increase in energy sales.
- Return of nearly \$270,000 in capital credits to our member-owners.

We also faced significant headwinds: rising wholesale power costs, inflation and regulatory shifts. Through continuous education, your directors remain prepared to address these industry challenges.

Thank you for placing your trust in this Board. We are proud to represent your interests.

Cooperative Attorney, Compton Biddle, invited Jeff Ahearn back to the podium to speak.

In his CEO report, Mr. Ahearn welcomed members and guests to the 2025 Annual Meeting. He said, Good afternoon, everyone. A warm welcome to our valued members and guests at Craig-Botetourt Electric Cooperative's 2025 Annual Meeting. I am Jeff Ahearn, your CEO, and it's a privilege to be here.

My sincere gratitude extends to our dedicated Board of Directors and to our President, James Huffman, for his leadership and insightful report.

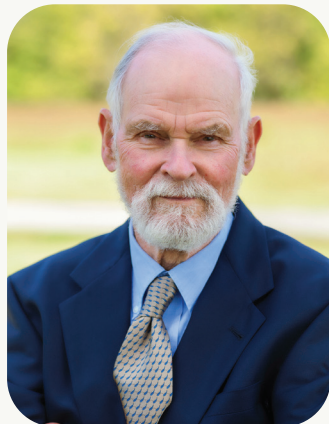
Thank you also to Compton Biddle, our cooperative attorney. Most importantly, I commend our exceptional staff — the heart of this cooperative. Their unwavering commitment is evident across all departments: our linemen brave all conditions, our member services team provides invaluable support and our accounting staff ensures financial integrity. Indeed, all our staff form the bedrock of the service we provide.

As Mr. Huffman highlighted, 2024 was a year of steady progress, strategic investment, and proactive navigation of a dynamic industry, all while upholding our cooperative principles. Our audited 2024 financials confirm our strength and stability, a testament to sound governance and diligent operations. Reflecting on 2024, we built on previous initiatives and made significant strides:

1. **Advanced Metering Infrastructure (AMI) Update:** Building on last year's start, the deployment of our new AMI network equipment is progressing well, beginning in the Bessemer Substation region. We're on track replacing our legacy system, and this advanced technology is already yielding better operational data. Full rollout will empower members with detailed usage information and enable future flexible rate options like pre-pay, enhanced Time-of-Use and specialized EV rates, tailoring services to your needs.
2. **SmartHub Engagement:** Adoption of SmartHub — for account management, outage reporting and communication — has been excellent. We encourage everyone to explore its features on our website. Real-time information and convenient payments are significant steps forward, and your feedback has been very positive. So, if you are not using this application, I would highly recommend that you download it to your smart device and try it out.
3. **Infrastructure Investment & Reliability:** As President Huffman noted, we invested \$3.2 million in our utility plant in 2024, bringing our total to \$58 million. This meant tangible improvements: new equipment and critical service upgrades.
4. **Bee Online Advantage Update:** Our broadband service, Bee Online Advantage, remains a success story. The Roanoke County fiber project, "lit" at the end of 2023, has matured well. In 2024, Bee Online Advantage continued its profitable operation with margins of \$273,576 for 2024, which is allocated to all members. As a wholly owned subsidiary, its profits contribute to Craig-Botetourt Electric's operating margins and help offset electric rate pressures. We're proud to provide this essential

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Nominee for Craig-Botetourt Electric Cooperative Board of Directors



DISTRICT NO. 2 CRAIG AND ROANOKE COUNTIES

J.C. WINSTEAD

Mr. Winstead has been a resident of Craig County for 44 years. He graduated from Virginia Tech with a Bachelor of Science degree in mechanical engineering and had a career in the electric utility industry. He enjoys his beef cattle operation at his farm in Meadow Creek. Mr. Winstead and his wife, Barbie, have four children and 12 grandchildren.

He is a Craig County Farm Bureau board member, represents Craig County on the Farm Service Agency committee, and is a deacon and a trustee at Craig Valley Baptist Church. Mr. Winstead has served on the Craig-Botetourt Electric Cooperative Board of Directors since 2012.

Craig-Botetourt Electric Cooperative and Subsidiary Consolidated Balance Sheets

	DECEMBER 31	
	2025	2024
ASSETS		
Electric plant		
Electric plant	\$60,981,242	\$57,857,794
Less accumulated provision for depreciation	15,981,875	15,967,618
	44,999,367	41,890,176
Other property and investments		
Investments in associated organizations	800,306	776,496
Non-utility property, net	16,882	116,204
	817,188	892,700
Current assets		
Cash and cash equivalents	1,957,703	449,021
Accounts receivable, net	1,988,926	1,959,352
Materials and supplies	949,676	1,439,349
Other accounts receivable	301,007	14,446
Other current assets	52,787	146,313
	5,250,099	4,008,481
Deferred charges and regulatory assets	71,509	32,121
	\$51,138,163	\$46,823,478
EQUITIES AND LIABILITIES		
Equities		
Patronage capital	13,630,177	13,055,561
Other equities	2,030,837	1,612,575
Memberships	31,205	31,020
	15,692,219	14,699,156
Noncurrent Liabilities		
Long-term debt	32,258,520	28,355,113
Long-term finance lease	29,303	111,034
	32,287,823	28,466,147
Current liabilities		
Accounts payable	1,491,425	1,405,537
Current maturities of long-term debt	1,069,454	1,085,515
Current portion of finance lease	35,934	40,697
Accrued taxes	3,221	4,207
Other current and accrued liabilities	239,253	339,092
Consumer deposits	135,187	154,121
Line of credit	-	200,000
	2,974,474	3,229,169
Deferred credits	183,647	429,006
	\$51,138,163	\$46,823,478

Craig-Botetourt Electric Cooperative and Subsidiary

Consolidated Statements of Operations

	DECEMBER 31	
	2025	2024
Operating revenues	\$18,181,116	\$17,357,561
Operating expenses		
Cost of power	9,540,458	9,170,999
Cost of sales	88,629	86,653
Distribution – operations	979,976	861,632
Distribution – maintenance	1,793,142	1,782,410
Consumer accounts	522,274	541,648
Administrative and general	1,485,394	1,595,765
Depreciation and amortization	1,697,870	1,633,978
Taxes	291,691	245,306
Interest on long-term debt	1,035,824	829,701
Interest – other	45,455	206,214
	17,480,713	16,954,306
Operating margins before patronage allocations	700,403	403,255
Patronage allocations	79,938	62,610
Net operating margins	780,341	465,865
Non-operating income (expense)		
Interest income	49,075	29,913
Other	174,923	(20,502)
	223,998	9,411
Net Margins	\$1,004,339	\$475,276



CRAIG-BOTETOURT
ELECTRIC COOPERATIVE

Nominee for Craig-Botetourt Electric Cooperative Board of Directors



DISTRICT NO. 3 BOTETOURT AND MONTGOMERY COUNTIES

JAMES HUFFMAN

James Huffman was born and raised in Botetourt County and has lived there all his life in the Pleasant Dale area. He lives on Breckinridge Mill Road with his wife, Lynda, where he owns and operates a beef cattle farm. They have three grown children and two grandchildren.

Mr. Huffman earned Bachelor of Science and Master of Science degrees from Virginia Tech and retired from Botetourt County Public Schools after teaching agriculture and science for 36 years.

Mr. Huffman has served in all elected offices on the Craig-Botetourt Electric Cooperative Board of Directors. He also serves on the Virginia, Maryland & Delaware Association of Electric Cooperatives Board of Directors, where he has served as chairman, vice-chairman and secretary/treasurer. Mr. Huffman also serves on the VMDAEC Educational Services Committee and the Educational Scholarship Foundation, as well as on the board of directors of Virginia ACRE (Action Committee for Rural Electrification).

Annual Member Meeting Minutes

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service. Also in 2024, Craig-Botetourt and its subsidiary were awarded a VATI grant to provide broadband services in Alleghany County, within our electric service territory. This project will not only add to our broadband service area but will provide a service that does not exist at this point, to our members. Along with this expansion, the cooperative will also achieve some of its Smart Grid goals by connecting four of our six substations together via fiber optics.

5. Return of Capital Credits:

Demonstrating our cooperative commitment, your Board of Directors approved retiring and paying nearly \$270,000 in capital credits for 2024 – a direct return on your investment in Craig-Botetourt Electric.

While celebrating these achievements, we are keenly aware of the challenges President Huffman outlined:

1. Strategic Energy Portfolio Management – Our Power Supply Future: This is our paramount focus. Our AEP power supply contract, a significant portion of our energy, expires in June 2026. We began seeking replacement power in June 2023 and are diligently evaluating proposals. The energy market is complex, influenced by policy, technology and unprecedented demand from data centers – a pressure that hasn't abated. Furthermore, as noted, we face significant PJM regional transmission operator capacity market increases, impacting bills from this June's usage – a pass-through cost for grid reliability. We are analyzing these impacts and will communicate transparently. Our goal is securing a diverse, reliable and competitively priced long-term power supply.
2. Managing Rising Costs: Our 2024 operating margin of \$196,277 was significantly impacted

by a \$1.5 million increase in power costs and a \$100,000 rise in controllable operational expenses. We are taking action, intensely scrutinizing expenses and identifying efficiencies while maintaining our commitment to safety and service. A key initiative to mitigate power costs is controlling our electric peak by conservation.

The proposed installation of a 4 MW-20 MWh battery storage system is a strategic investment to improve service reliability, control costs and modernize our local grid for our members. However, we face significant obstacles, as economic pressures from tariffs and tax credit conditions are eroding the project's original financial projections. This is where our new AMI system will offer us additional opportunities such as voluntary member conservation and specialized rates.

3. Supply Chain and Market Pressures: Persistent long lead times for essential materials such as transformers, meters and wire remain a hurdle. Our memberships in United Utility Supply and Tarheel Electric Membership Association, and now CEEUS, are invaluable, enabling 'blanket orders' to mitigate delays and secure better pricing. The broader economic environment, with rising interest rates and fluctuating fuel prices, demands constant vigilance. Looking ahead, we're focused on navigating challenges and seizing opportunities. We're actively pursuing grants, including the recent VATI grant that was awarded to the cooperative and federal grants for system hardening. While competitive, we remained persistent. Successful grants can significantly reduce project costs, benefiting you, our members. In fact, Craig-Botetourt Electric Cooperative, in collaboration with other Blue

Ridge Power Agency members, successfully secured a grant for a utility-scale solar project. However, this grant, announced during the final week of the previous administration, was placed on hold the subsequent week. We are currently awaiting updates on its status.

The energy landscape is evolving, with pressures from environmental regulations and rapid demand growth. Your directors are committed to ongoing education and training to make the best strategic decisions for you.

In closing, 2024 saw us advance key projects, invest in infrastructure and confront economic headwinds. Your cooperative is financially sound and operationally prepared. The Board, our dedicated staff and I remain steadfast: you, the member-owner, are our absolute priority. We will continue working diligently to provide safe, reliable and economical power, upholding our cooperative values.

Thank you for your time, engagement and continued trust in Craig-Botetourt Electric Cooperative.

Attorney Compton Biddle returned to the podium and asked if there was any unfinished business that anyone would like to address, or if there was anyone who had new business to address.

Being none, Attorney Compton Biddle announced the results of the vote teller's report. The tally was as follows: District #1, S. Travis Shrewsbury received 319 votes and District #2, Frank R. Garman, Jr. received 319 votes. Attorney Biddle congratulated Director Shrewsbury and Director Garman on their reelection to the CBEC Board of Directors.

Communications Director Maiya Ashby announced the winners of the door prize drawings.

There being no further business, Attorney Compton Biddle adjourned the meeting at 1:55 p.m.