

INTER-COUNTY ENERGY COOPERATIVE CORPORATION

Meeting Minutes Summary

June 2022

Chairman of the Board, Joseph H. Spalding, called the meeting to order.

After roll call, it was noted that the following directors were present either in person or via video conference, to-wit:

Joseph H. Spalding	Allen Goggin
Louis A. Kerrick	Bill Peyton
Jason E. Todd	

J. Kevin Preston was in attendance shortly after the Call to Order after securing a negative COVID test. Also present and participating was Board Attorney J. Hadden Dean. President and CEO Jerry Carter participated virtually and was isolating per CDC guidelines.

I. PRAYER

Chairman Spalding opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Todd presented the safety moment regarding his recent contact with poison sumac. He advised when working with unfamiliar plant material, persons should wear proper attire and/or make every effort to identify any unknown plant material for which contact is made.

III. ADOPTION OF AGENDA

Chairman Spalding presented the agenda for review. Mr. Kerrick made a motion to approve the agenda. Mr. Goggin made a second to the motion and the motion passed unanimously.

IV. REVIEW OF MINUTES

The Board reviewed the minutes of the May 27, 2022, Board Meeting. Mr. Peyton made a motion to approve the minutes, subject to a modification regarding the June meeting date. Mr. Todd made a second to the motion and the motion passed unanimously.

V. APRIL 2022 SUMMARY MINUTES

May 2022 summary minutes were reviewed. Mr. Peyton made a motion to approve the summary minutes of the May 27, 2022, board meeting minutes with a minor modification. Mr. Todd made a second to the motion and the motion passed unanimously.

VII. REPORTS

Departments

The minutes will reflect that each of the respective department heads have in the past and will continue to provide summaries of monthly activities, budgets, and other commentary, all to be included in a packet distributed to each of the Directors prior to the meeting. For the May 27, 2022, meeting, each of the respective departments did in fact present a summary of their activities included in the board packet of each of the Directors of the Cooperative.

A. Finance and Administration – Ms. Kurtz gave a summary of the financial indicators and included for May of 2022 that OTIER was -.016 and TIER was -.016. She stated year to date that OTIER was 3.06 and TIER was 3.28. She noted all federal funds rates have shifted upwards due to change in interest rate policy by the Federal Reserve. She then reviewed each line item in the budget and gave an analysis on any items that were significantly above or below the stated budgeted amounts. She also announced that the mileage reimbursement starting July 1, 2022, was going to be increased to 62.5 cents per mile. Mr. Carter added that the spreadsheet presented at the meeting reflected that from 2018 through 2021, that the Cooperative was the 5th fastest growing Cooperative in Kentucky and that when looking at only the percentages, the Cooperative was near the top for adding membership over that timeframe.

B. Office Services – Ms. Stocker advised there were 40 accounts to be sent to collections totaling \$19,307.20. She requested those be deemed as bad debt and sent to collection. Mr. Todd made a motion to deem the unpaid accounts as bad debt in the amount stated and to send the same for collection. Mr. Peyton made a second to the motion and the motion passed unanimously.

Ms. Stocker gave an update regarding the prepay program. She noted there were approximately 500 members participating and of those, 99 have debt management components to their plan. Of those, the total outstanding balance for all accounts was approximately \$70,800.00. Of that sum, 53 of those accounts have a balance in excess of \$500.00. She also advised that Community Action had reopened its programs for June of 2022 and that the Cooperative collected approximately \$27,600.00 in 2022.

C. Operations – Mr. Phelps went through his report and identified the highlights with the operations and engineering that was ongoing, and he also reviewed the chart and was happy to say that the right-of-way clearing was ahead of schedule and advised the Board year-to-date, there has been approximately \$702,000.00 in right-of-way clearing. He then gave an update on a review of miscellaneous items in his report, including the PSC Pole attachment cases and the posting for another lineman position. He also discussed the process for the RFQ's for the AMI

system. Mr. Carter added there will be more of an in-depth discussion of that within the work plan which consisted of a 66-page summary which was contained within the board packet. Mr. Phelps announced that the total amount of the work plan was approximately \$36 million with just under \$7 million attributable to the AMI meter replacement proposal. After discussion about those proposals and a PowerPoint being presented, Mr. Goggin made a motion to approve the work plan in the amount stated and Mr. Todd made a second to the motion and the motion passed unanimously.

D. Member Services – Mr. Hitchcock gave an update on the Envirowatts Program and the recent expansion at Marker’s Mark in the form of the construction of the tasting room. By the time the tasting room is LEEDS compliant, the additional purchase of the envirowatts will have Maker’s Mark pay approximately \$1,200.00 per month until the commitment is satisfied.

E. Executive - Mr. Carter presented work anniversary dates for individuals pertaining to their years of service.

1. AMI Project – Mr. Carter and Mr. Phelps gave a PowerPoint presentation of the AMI Project and the various bids received. Mr. Phelps made a recommendation the Board accept the proposal from Landis+Gyr. Mr. Kerrick made a motion to accept the proposal. Mr. Preston made a second to the motion. After a review and lengthy discussion of all options and recommendation from the staff, the Board unanimously approved the motion.

2. Cyber Security Update – Mr. Bach advised there are increased attempts of cyber theft, as well as cyber security breaches. He cautioned staff and others present to be very selective about internet usage, opening attachments and responding to unsolicited financial incentives.

Mr. Bach gave an update and advised the Board there had been no infiltration into the Cooperative computer systems.

3. Annual Meeting – Mr. Carter gave a review and outline of the agenda. Following review by the Board, Mr. Peyton made a motion to approve the agenda in its current format. Mr. Goggin made a second to the motion and the motion passed unanimously.

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Mr. Carter then asked for the Board to appoint a parliamentarian for the Annual Meeting. Mr. Todd made a motion to nominate board attorney, J. Hadden Dean as the parliamentarian for the upcoming annual meeting. Mr. Peyton made a second to the motion and the motion passed unanimously.

Chairman Spalding discussed the rules regarding members speaking at the annual meeting and acknowledged that absentee voting would start on July 6, 2022, and end on July 20th.

4. Safety/Loss Prevention Summary – Mr. McGuffey gave an update and advised there was a recordable injury and described the incident and the cause of the injury. This incident did not result in any loss time from work and the employee is recovering well.

VIII. LEGAL /REGULATORY/POLICY

Mr. Carter announced that EKPC had completed its search and had retained David Samford as general counsel for EKPC. That position will begin August 1, 2022. Mr. Carter and Chairman Spalding discussed the shifting of work that had been assigned to Mr. Samford through his prior firm.

IX. BOARD/CEO SESSION

A. Annual Calendar Review

Mr. Carter reviewed the Annual Calendar. The Board made suggestions about upcoming visits from KEC. An update was then provided on the review of the visit from EKPC and its key staff members at the last board meeting. It seemed to be a consensus that there are some additional opportunities to further develop the relationship with EKPC and its staff.

B. Dashboard – Mr. Carter reviewed the dashboard and each of the respective elements within the safety, finance, operation, and customer service data.

C. Miscellaneous – Mr. Carter then asked for permission to grant each employee an additional day of vacation, so long as there is no loss time work incident from the time of this meeting and midnight EST on July 18, 2022. Mr. Preston made a motion to approve the request from Mr. Carter. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

Mr. Todd advised Mr. Carter that he may be getting a telephone call from a local magistrate in Lincoln County regarding some of the information he has received about broadband throughout rural Kentucky.

X. COMMITTEE REPORTS

A. Governance Committee Charter – The Governance Committee Charter was discussed and Mr. Kerrick, on behalf of the committee circulated changes to two policies that had been recommended. He asked each of the members to review that in anticipation of the upcoming July board meeting.

XI. EKPC

Chairman Spalding gave an update on the happenings since the last board meeting and the annual meeting. He advised negative margins were experienced of \$2.2 million in April. However, he did state the budget for losses in that month, actually exceeded that amount. He stated year-to-date the margins were \$5.4 million below budget.

XII. KEC/UUS

Mr. Todd and Chairman Spalding gave an update of the upcoming annual meeting in August. They noted the meeting had been moved from November to August 14, 2022 but will still occur in downtown Louisville. Any of those attending need to advise Ms. Coleman of the same, as the hotel cutoff is July 14, 2022. Mr. Goggin made a motion that travel, and other related expenses be approved for any board member attending the meeting. Mr. Kerrick made a second to the motion and the motion passed unanimously.

Chairman Spalding then solicited the appointment of voting delegates. Mr. Kerrick made a motion to nominate Chairman Spalding to be the voting delegate and Mr. Preston to be the alternate delegate. Mr. Goggin made a second to the motion and the motion passed unanimously.

Chairman Spalding next solicited two representatives to serve on the KEC Board for 2023. Mr. Preston made a motion to appointment Mr. Todd and Mr. Carter to serve as the Cooperative's members on the KEC Board. Mr. Kerrick made a second to the motion and the motion passed unanimously.

XIII. NRECA

A. Board Governance Video

Chairman Spalding stated the Board Governance Video would be reserved for playing at a later meeting.

XIV. FEDERATED RURAL ELECTRIC INSURANCE

Chairman Spalding acknowledged that the Federated board meeting report for May 2022 was included in today's Board materials.

XV. RUS-CFC-COBANK NEWS/UPDATES

Chairman Spalding identified that he and Mr. Carter attended the CFC meeting out of town. Unfortunately, many of those who attended the meeting contracted COVID. Mr. Preston advised the session he attended provided good information.

XVI. CAPITAL CREDIT DISBURSEMENTS

For May 2022 there was \$15,896.97 in capital credit disbursements. Mr. Peyton made a motion to approve the capital credit disbursements as stated. Mr. Goggin made a second to the motion and the motion passed unanimously.

XVII. WORK ORDERS FOR APRIL 2022

- A. Work Order #2044 - \$439,891.10
- B. Work Order #2045 - \$0

Mr. Todd made a motion to approve the work orders as stated. Mr. Peyton made a second to the motion. After discussion, the motion passed unanimously.

XVIII. APPROVE NEW MEMBERS FOR APRIL 2022

- A. 188 New Members
- B. \$9,400.00 Membership Fees

Mr. Kerrick made a motion to approve the 188 new member applications for membership and the fees as stated. Mr. Goggin made a second to the motion. The motion passed unanimously.

XIX. MISCELLANEOUS

Chairman Spalding requested the Board submit their expense sheets by providing those to Farrah Coleman. Chairman Spalding noted the next regular board meeting is scheduled for July 29, 2022, at 8:30 a.m.

Chairman Spalding suggested that anyone wishing to have an item placed on the agenda for upcoming board meetings do so by providing the same to Ms. Coleman.

XX. OTHER BUSINESS

1. EXECUTIVE SESSION – Mr. Kerrick made a motion to enter into executive session for the purpose of threatened or pending litigation. Mr. Goggin made a second to the motion and the motion passed unanimously.

Mr. Goggin made a motion to come out of executive session. Mr. Peyton made a second to the motion. The motion passed unanimously.

Chairman Spalding announced no action was taken on the item discussed in executive session.

He then called for any other business to be brought before the Board. None was provided.

XXI. ADJOURN

A motion to adjourn was made by Mr. Todd. Mr. Peyton seconded the motion and the motion passed unanimously, and the Board adjourned at 11:51 a.m.