

Meeting Minutes Summary

June 2025

Chairman of the Board, Joseph H. Spalding, called the meeting to order. After roll call, it was noted the following directors were present, to-wit:

Joseph H. Spalding	J. Kevin Preston
Louis A. Kerrick	Allen Goggin
Jason E. Todd	John Henry Wayne Russell

Also present and participating were President and CEO Jerry Carter and Attorney J. Hadden Dean as attorney for the Cooperative.

I. PRAYER

Mr. Goggin opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick discussed the importance of understanding how to safely swim and addressed the five (5) key issues which should be observed when entering a pool or other body of water. Hidden hazards can cause serious injury or death. There are also biological hazards that should be considered before entering any water.

III. ADOPTION OF AGENDA

Chairman Spalding presented the agenda for review. Mr. Russell made a motion to approve the agenda with the addition of including the appointment of the Board positions for KEC. Mr. Goggin made a second to the motion and the motion passed unanimously.

IV. ACTION ON MAY 22, 2025, BOARD MEETING MINUTES

The Board reviewed the May 22, 2025, Board Meeting minutes. Mr. Kerrick made a motion to approve the minutes with one spelling correction. Mr. Todd made a second to the motion and after discussion the motion passed unanimously.

V. ACTION ON MAY 22, 2025 SUMMARY MINUTES

The summary minutes of May 22, 2025, were reviewed. Mr. Preston made a motion to approve the summary minutes with the same spelling correction. Mr. Goggin made a second to the motion and the motion passed unanimously.

VI. DEPARTMENT 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. Each of the respective departments presented a summary of their activities included in the board packet of each Director of the Cooperative.

A. Finance and Administration – Mr. Carter presented the financial report and advised that April had positive margins of \$125,861. OTIER for May was 1.61 and TIER was 1.60. The year-to-date operating revenues are over \$31M, which is \$1.6M higher than last year. The year-to-date budget for net margins was (\$122,935) and currently net margins are \$207,026. Year-to-date OTIER is 1.08 and TIER is 1.09.

Borrowing rates for approximate quarterly interest rates between April and June of 2025 were reviewed. The rates were mixed over the respective maturity dates.

Mr. Carter discussed the working capital and forecast status report.

The finance report ended with reviews of the Form 7 and interest income reports.

1. Action on Term for Variable Loan

Mr. Carter discussed the upcoming loan and options. Mr. Todd made a motion to lock in the \$3M for 2 years. Mr. Preston made a second to the motion and after discussion the motion passed unanimously.

B. Office Services – Mr. Carter advised that 23 accounts were overdue and older than February 1, 2025, and the total for those overdue accounts was \$9,834.92. Mr. Preston made a motion that these accounts be assigned to bad debt and sent to collections pursuant to the PSC regulations. Mr. Goggin made a second to the motion and the motion passed unanimously.

There were 124 overdue accounts YTD, and the Currently there are 621 members with prepaid accounts. The cumulative sum owed was approximately \$32,902.53.

A summary of the Online Utility Exchange was presented and shows that total collections were \$1,695.32 from both online and transactions at the Cooperative of \$423.81.

C. Operations – Mr. Phelps advised the plant account completed 334 work orders in May. New construction was just over \$2,930,000 and purchases were \$208,516. There were 249 poles installed, and 5,958 feet of conductor added to the plant and 157 poles, and 1,336 feet were removed.

Engineering work for the month included cell tower installations and work orders being updated on the mapping. Bi-annual line inspections are 39% complete for Danville and 44% complete for Lebanon.

Contract crews worked on Alcan pole replacements in Lebanon and Garrard County. There are five crews from Elliott currently working within the service territory and four of those are working on Charter pole replacements.

Right of way clearing is nearly up to date for the year, and the YTD billings were \$584,183 for cycle clearing of 139.7 miles and \$71,830 has been expended for maintenance and \$18,739 has been expended for work orders. Total TYD costs were \$656,013 not including work orders.

The AMI project has been progressing and at the time the report was created there were approximately 25,300 meters changed out.

Mr. Phelps ended with a review of several items listed in the miscellaneous section of his report. Notably, the AMI and OMS system integration was a success. He also discussed the benefits of the system and how quickly it verifies outages.

D. Member Services – Mr. Hitchcock discussed the 2025 Washington Youth Tour and presented several images.

The Key Accounts chart was presented and YTD those accounts totaled \$5,624,061. Diageo still dominated the pie chart and accounted for 66% of the total costs of power for the group. The Key Accounts Monthly Summary Comparison reflected that for May of 2025 the total revenue was just under \$1,453,000.

A monthly Co-Op EV Charging Report was presented for April of 2025. This displayed the amounts of credits that were generated by using off-peak charging. Those ranged from just a few cents to just over \$15.00.

The donation totals for 2025 were displayed in a bar chart which listed several of the service territories. Mr. Hitchcock further discussed where those funds were spent in those territories.

1. Annual Meeting

Mr. Hitchcock discussed the upcoming plans for the Annual Meeting and the member gifts. The meeting will be July 18th in Lebanon from early morning to about 4 p.m. The Annual Meeting of the Cooperative will be on Friday, July 25, 2025.

a. Approval of Annual Meeting Agenda

Mr. Russell made a motion to approve the proposed agenda as presented and Mr. Kerrick made a second to the motion. After discussion, the motion passed unanimously.

b. Select Parliamentarian for Annual Meeting

Mr. Goggin made a motion to approve Mr. Dean to serve as the parliamentarian at the Annual Meeting. Mr. Russell made a second to the motion and the motion passed unanimously.

c. Member Speakers at Annual Meeting

Any and all members may speak at the Annual Meeting per the bylaws and policies of the Cooperative. Mr. Dean will announce this process at the Annual Meeting and the time limits for each.

E. Executive – Mr. Carter discussed the construction plan spread sheet. He noted the large amount from last year resulted from the AMI program. Mr. Carter then displayed images of employee work anniversaries noting the four (4) people listed were celebrating work service anniversaries with a total of 68 years of service.

1. Corporate Services – Mr. Carter discussed the items in this report. He advised there were no incidents in May. The Recordable Incident, DART, and Severity Rates were all 0.0. For 2025 the Recordable Incident Rate is 3.72 and DART Rate and Severity rates are both 0.0. The May Safety Meeting included a review of Policy 318, Lock-Out Tag-Out. The June Safety Meeting will be hosted by EKPC and will cover Lock-Out Tag-Out procedures and Substation Restoration.

2. Information Technology and Cyber Security Report - Mr. Bach discussed the charts in his report. He also pointed out the industry average for phone phishing was 3.1%. Comparatively, the Cooperative's average was only .8%. He advised the effort to educate the staff is continuing and diligence must always be exercised when using any device, including phones. He ended his presentation with an image of the email a staff member clicked on that was a fake phishing email.

VII. LEGAL/REGULATORY

A. Policy 219 – Employee Training and Development (Review)

Mr. Kerrick made a motion to note this policy was reviewed with no changes. Mr. Goggin made a second to the motion and the motion passed unanimously.

B. Policy 317 – Corrective Action Guidelines (Review)

Mr. Todd made a motion to note this policy was reviewed with no changes. Mr. Russell made a second to the motion and the motion passed unanimously.

VIII. BOARD /CEO SESSION

A. Annual Calendar Review

Mr. Carter reviewed the annual calendar and did not make any recommendations or changes to the items listed. He noted the CFC delegates had already been selected.

B. Dashboard Review

Mr. Carter discussed all the factors which impacted margins for the month and year to date. He noted TIER and OTIER continue in the 'red' section of the chart. Equity continues to be stable, but the upcoming borrowing will have some negative impact on these metrics.

C. Board Policy Review

1. Policy 416 – Recruitment and Development Practices

The Board reviewed Policy 416 without changes. Mr. Todd made a motion to approve Policy 416 without changes. Mr. Kerrick made a second to the motion and the motion passed unanimously.

2. Policy 417 – Communications

The Board reviewed Policy 417. Mr. Goggin made a motion to approve this policy with the proposed changes. Mr. Preston made a second to the motion and after discussion the motion passed unanimously.

D. Executive Session

A motion to go into executive session was made by Mr. Kerrick. Mr. Russell made a second to the motion and the motion passed unanimously. Mr. Preston made a motion to exit the executive session. Mr. Russell made a second to the motion and the motion passed unanimously. No action was taken.

IX. COMMITTEE REPORTS

No report.

X. EKPC

Chairman Spalding discussed the issues from last month's meeting. A 7.49% increase in rates was approved with the Cooperative's portion of that increase being approximately \$4.1M. This will be a pass through to the members. The Board at EKPC will consider purchasing a third combined cycle unit to be placed in the generation portfolio. The approval of the purchase is needed to get into the queue for the delivery of the unit. This purchase could be avoided if EKPC decides it does not want the unit, then it is likely the unit will be sold for a profit. EKPC could also sell the spot in the queue as well. Earnst & Young was selected as the new auditor for EKPC. April margins were \$2.6M better than budgeted, but there were still negative margins for the month. CFC training conflicts with the NRECA directors conference in January of 2026. Chairman Spalding gave an update on the committees and advised he will be reappointed as the chair of the governance committee.

XI. KEC/UUS

A. KEC Annual Meeting- August 25-26, 2025 (Louisville)

Mr. Todd advised the KEC board will be meeting in the near future.

1. KEC Annual Meeting – August 25-26, 2025 (Louisville)

2. Delegate: Chairman Spalding will be the voting delegate, and

Mr. Preston will be the alternate delegate.

B. UUS Annual Meeting

1. Appoint Voting Delegate and Alternate

Mr. Todd moved to appoint Jerry Carter as the voting delegate.

Mr. Preston made a second to that motion and the motion passed unanimously.

XIII. NRECA

A. Board Governance Video - Mr. Carter asked to postpone the video to the following month. He also reminded the Board that these videos are available at any time, and should a Board member wish to view one or more they can do so.

XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

Mr. Carter presented an update to the various Federated Insurance policies issued and to expect that the costs will increase.

XV. RUS-CFC-COBANK NEWS/UPDATES

A. CFC FORUM - June 30, 2025 – July 3, 2025 (New York)

1. Attending: Chairman Spalding and Mr. Carter

XVI. CAPITAL CREDIT DISBURSEMENTS

For May 2025 there was \$16,181.71 in estate retirements. Mr. Goggin made a motion to approve the retirements as stated. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR MAY 2025

A. Work Order #202505 - \$654,051.06.

Mr. Todd made a motion to approve the work order as stated. Mr. Kerrick made a second to the motion. The motion passed unanimously.

XVIII. APPROVE NEW MEMBERS FOR MAY 2025

A. 148 New Members

B. \$7,400.00 in membership fees were paid.

Mr. Russell made a motion to approve the new members and the amount of fees stated. Mr. Goggin made a second to the motion. The motion passed unanimously.

XIX. MISCELLANEOUS

A. Expense Sheets - Chairman Spalding requested members of the Board submit their expense sheets.

B. Next Board Meeting – The July board meeting will be held on Friday, July 25, 2025.

Chairman Spalding suggested 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

None.

XXI. ADJOURN

A motion to adjourn was made by Mr. Kerrick. A second was made by Mr. Goggin and the motion passed unanimously. The meeting adjourned at 1:23 p.m.