

Meeting Minutes Summary

May 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. Dean opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick discussed the potential impact that taking a baby aspirin could have for overall health. He noted this should be discussed with your personal health care provider. He announced April is the month of National Work Zone Awareness.

III. ADOPTION OF AGENDA

Chairman Spalding presented the agenda for review. Mr. Todd 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. KEC GUESTS

President and CEO Chris Perry along with several other employees from KEC and UUS attended the meeting. They presented a global summary of the work of KEC and UUS do for the Cooperatives in Kentucky. He and others also gave an outline of the exciting and positive impact that the future plans of both companies will provide to all the member/owners of KEC and UUS.

V. ACTION ON APRIL 22, 2025 BOARD MEETING MINUTES

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

VI. ACTION ON APRIL 22, 2025 SUMMARY MINUTES

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

VII. 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 – Ms. Kurtz advised that April had positive margins of \$555,268. OTIER was 3.91 and TIER was 3.98. The year-to-date operating revenues are \$26M, which is \$1.8M higher than last year. The year-to-date budget for net margins was \$174,000 and currently net margins are negative at \$41,000. Year-to-date OTIER is (.93) and TIER is (.94).

Borrowing rates for approximate quarterly interest rates between March and May of 2025 were reviewed. The rates were trending higher from April to May.

Ms. Kurtz and 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. EKPC Capital Credit Allocation

Mr. Carter displayed listing of the capital credit allocation from EKPC. This noted the current final allocation and the overall position of the Cooperative. The final allocation for 2024 to the Cooperative was \$305,861.93.

B. Office Services – Ms. Kurtz advised that 20 accounts were overdue and older than January 1, 2025, and the total for those overdue accounts was \$3,951.72. Mr. Goggin made a motion that these accounts be assigned to bad debt and sent to collections pursuant to the PSC regulations. Mr. Todd made a second to the motion and the motion passed unanimously. There were 101 overdue accounts YTD, and the cumulative sum owed was approximately \$23,067.61.

Currently there are 636 members with prepaid accounts.

C. Operations – Mr. Phelps presented various images taken from the service territory. The images included work at the Grissan building site. He also displayed several examples of pole attachments which were not in compliance. Notice has been sent to the utility to rectify all instances of noncompliance.

Mr. Phelps and Mr. Carter discussed emergency readiness. The recent tornadoes in south central Kentucky left several cooperatives with localized damage that was severe. Mr. Carter discussed how this sort of storm could impact the operations of the Cooperative and how he and the staff have prepared for these situations.

Plant account work included 274 new work orders which started in April. New construction costs were just over \$2,704,081. There were 132 poles installed and nearly 13,699' of conductor added to the plant and 88 poles and 1,087' were removed from the plant.

The right of way clearing is a bit behind schedule. Mr. Phelps noted work through April and maintenance costs were \$50,976. Year-to-date billing for cycle clearing is \$367,401 for cycle clearing of 87.60 miles. The total year-to-date costs are \$418,377 [excluding work orders.]

There were approximately 24,000 meters changed out to date.

D. Member Services – Mr. Hitchcock discussed the upcoming anniversary of the formation of the Cooperative. The Cooperative was organized on June 14, 1937. The first lines of Inter-County's service were energized at the Perryville substation on June 10, 1938. The Garrard County substation was energized on August 25, 1938, and the Marion substation was energized in September 1938.

The Key Account chart was presented and YTD those accounts totaled \$5,367,602. Diagio still dominated the pie chart and accounted for 67% of the total costs of power for the group.

1. Annual Meeting

a. Only the incumbents, Jason Todd and Louis Kerrick submitted petitions for the upcoming Board election. The last day to submit petitions was on May 2, 2025.

E. Executive – Mr. Carter discussed the construction plan spread sheet. He noted the large amount last year resulted from the AMI program. Mr. Carter then displayed images of employee work anniversaries noting the five (5) people listed were celebrating work service anniversaries with a total of 107 years of service.

1. 2024 and 5-Year Reliability Report - A display of the 2024 and 5-year reliability report and other data was presented and discussed. These included data for several metrics followed by the Cooperative. The System Average Interruption Duration Index [SAIDI] is a key reliability metric used by electric utilities to measure the average duration of power

outages for each customer over a specified period (usually a year). All charts were presented excluding major event days. The Cooperative has SAIDI of 102.25 minutes for 2017-2022 and 105.63 minutes for 2019-2024. This increase is primarily due to a series of successive storms across the service territory that did not qualify as a major event day. Most cooperatives have seen an increase in the SAIDI data for similar periods.

2. Corporate Services - Mr. McGuffey reported a deer ran into a Cooperative truck and caused modest damage. He advised there are about two (2) incidents with a deer per year. He suggested pricing brush guards for the small pick-up trucks. The Recordable Incident, DART, and Severity Rates were all 0.0. For 2025 the Recordable Incident Rate is 4.43 and DART Rate and Severity rates are both 0.0. He also discussed the content of recent and upcoming safety meetings.

3. Information Technology and Cyber Security Report - Mr. Bach advised there were two clicks, and some information was entered through IOS devices. He advised the effort to educate the staff is continuing. He presented an image of the email the staff member was duped by.

VIII. LEGAL/REGULATORY

A. Policy 304 - HIPAA Privacy Policy for Health Plans (Review)

Mr. Preston made a motion to note this policy was reviewed with no changes. Mr. Kerrick made a second to the motion. Motion passed.

B. Policy 307 – Harassment Free Workplace (Review)

Mr. Preston made a motion to note this policy was reviewed with no changes. Mr. Kerrick made a second to the motion. Motion passed.

IX. 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 appreciated KEC staff taking the time to visit with the Board today. The displays and discussions were helped the Board and Staff to better understand the roles and relationships with KEC and UUS.

B. Dashboard Review

Mr. Carter reported for the year TIER is (.94) and OTIER is (.93). Equity continues to be stable, but the upcoming borrowing will have some negative impact on these metrics.

C. Board Policy Review

1. Policy 401 - Function of the Board of Directors.

The Board reviewed Policy 401 without changes. Mr. Preston made a motion to approve Policy 401 without changes. Mr. Todd made a second to the motion and the motion passed unanimously.

2. Policy 414 - Ownership of Facilities

The Board reviewed Policy 414 and the proposed changes. Mr. Todd made a motion to approve this policy with the proposed changes. Mr. Goggin made a second to the motion and after discussion the motion passed unanimously.

3. Policy 415 - Acquisition of Real Estate

The Board reviewed Policy 415 and the proposed changes. Mr. Russell made a motion to approve this policy with the proposed changes. Mr. Goggin made a second to the motion and after discussion the motion passed unanimously.

X. COMMITTEE REPORTS

No report.

XI. EKPC

Chairman Spalding discussed the issues from last month's meeting. The CPCN for the generation site, including twelve reciprocating internal combustion engines [RICE] units, in Casey County has been approved. Margins for March were \$500,000 over budget. YTD margins are \$9M over budget.

A. Annual Meeting - Annual Meeting is set for June 10, 2025. The voting delegate is Mr. Preston and the alternate is Mr. Kerrick. Those attending will be Chairman Spalding, Mr. Preston, Mr. Carter, Mr. Russell, Mr. Kerrick, Mr. Todd and Mr. Goggin.

B. Proposed Rate Increase Discussion - Mr. Carter discussed the upcoming request by EKPC to increase rates. The amount of the increase is tentative, but at the current proposed increase of the Residential rate is 7.15% and other categories were to increase approximately 11%. The forecast for across-the-board increase was approximately 6.82%. Notification of any changes will be published in the July Kentucky Living Magazine.

XII. KEC/UUS

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

1. Mr. Kerrick will be attending.

2. Elect Voting Delegate and Alternate - Mr. Preston made a motion to approve Chairman Spalding as the voting delegate and Mr. Preston as the alternate delegate. Mr. Kerrick made a second to the motion and the motion passed unanimously.

B. Mr. Preston made a motion that Mr. Todd and Mr. Carter continue to represent the Cooperative by serving on the KEC board. Mr. Kerrick made a second to the motion and the motion passed unanimously.

C. Mr. Todd gave an update on the issues discussed at the meeting in Washington D.C.

XIV. NRECA

A. Board Governance Video

Due to timing, the Board did not view a video this month.

XV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

XVI. RUS-CFC-COBANK NEWS/UPDATES

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

1. Attending: Chairman Spalding and Mr. Carter

2. Elect CFC Voting Delegate and Alternate Delegate

Mr. Kerrick made a motion to appoint Mr. Carter as the voting delegate and Chairman Spalding as the alternate delegate. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

3. Elect NCSC Voting Delegate and Alternate for Annual Meeting (Held during CFC Forum)

Mr. Kerrick made a motion to appoint Mr. Carter as the voting delegate and Chairman Spalding as the alternate delegate. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

XVII. CAPITAL CREDIT DISBURSEMENTS

For April 2025 there was \$10,785.34 in estate retirements. Mr. Todd made a motion to approve the retirements as stated. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

XVIII. WORK ORDERS FOR APRIL 2025

A. Work Order #202504 - \$700,989.51.

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

XIX. APPROVE NEW MEMBERS FOR APRIL 2025

A. 183 New Members

B. \$9,150.00 in membership fees were paid.

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

XX. MISCELLANEOUS

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

B. Next Board Meeting – The June Board Meeting was set for Tuesday, June 24, 2025, at 8:30 a.m., but due to KEC calling its board meeting that date, Mr. Kerrick moved to reset the June meeting of the Cooperative to Monday, June 23, 2025 at 8:30 a.m. Mr. Goggin made a second to the motion and the motion passed unanimously.

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.

XXI. OTHER BUSINESS

None.

XXII. ADJOURN

A motion to adjourn was made by Mr. Todd. A second was made by Mr. Goggin and the motion passed unanimously. The meeting adjourned at 3:05 p.m.