

## **Meeting Minutes Summary**

**November 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**

Chairman Spalding opened the meeting with prayer.

### **II. SAFETY MOMENT**

Mr. Kerrick discussed home fires. The peak time for fires in homes is summer. An occupant only has 3 minutes or less to escape. He also noted in 2-story homes there needs to be some emergency egress from windows or roof areas. He also mentioned it is a good idea to test all smoke detectors around the daylight-saving time change. This will ensure they are working properly.

### **III. ADOPTION OF AGENDA**

Chairman Spalding presented the agenda for review and the amendment for moving the Governance matters to the Executive Session. Mr. Russell made a motion to approve the amendment and the agenda. Mr. Goggin made a second to the motion and the motion passed unanimously.

### **IV. ACTION ON OCTOBER 29, 2025, BOARD MEETING MINUTES**

The Board reviewed October 29, 2025, Board Meeting minutes. Mr. Todd made a motion to approve the minutes. Mr. Russell made a second to the motion and after discussion, the motion passed unanimously.

### **V. ACTION ON OCTOBER 29, 2025, SUMMARY MINUTES**

The October 29, 2025, summary minutes were reviewed. Mr. Preston made a motion to approve the summary minutes. 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**

October operating revenues were up \$478k from last year. Net margins for October were a positive \$350k and budget was for (\$382,467). The Cooperative had OTIER for October of 2.61 and TIER was 2.75. The year-to-date budget for net margins was a negative \$602,691 and currently net margins are \$2,925,566. Year-to-date OTIER is 2.23 and TIER is 2.49.

A review of overtime hours was displayed. Ms. Kurtz discussed the wages and the different categories listed. There was a significant reduction in overtime hours from 2352 to 670 from 2024 to 2025. There was no data for the October lending rates due to the government shutdown. The comparison presented and reviewed was from September 18 to November 18, 2025. There was a mix of increases or decreases over the respective terms listed in the chart.

The report ended with a review of Form 7. The interest income report was reviewed along with cash flow and available cash.

#### **1. Capital Credit Recap**

Ms. Kurtz and Mr. Carter displayed the spreadsheet which gave details of how capital credit retirements would impact the Cooperative and membership. The checks for the general retirement of capital credits will go out on December 3, 2025.

#### **2. CFC One Card Rebate**

Ms. Kurtz discussed the document outlining the One Card Rebate Payout Summary for 2024-2025. The average transaction size was \$129. Among other details the CFC One Card rebate was \$7,299.62.

B. Office Services

Ms. Kurtz advised 25 accounts were overdue and older than July 1, 2025. The total for those overdue accounts was \$3,978.72. Mr. Russell made a motion for these accounts to 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 269 overdue accounts YTD, and the cumulative sum owed was approximately \$78,321.16.

Currently, there are 649 members with prepaid accounts.

The credit reporting bar chart revealed that 52% of those members fell within 'green', 20.9% fell in the 'yellow' category and 23.6% fell within the 'red' category.

A display of the membership participation of Smart Hub Paperless enrollment and Auto Pay/EFT were discussed.

C. Operations

Mr. Phelps and Mr. Carter discussed pole testing work being done.

Mr. Phelps advised the plant account completed 336 work orders within October. New construction was just over \$1,702,400 and purchases were just over \$339,000. There were 301 poles installed and 64,471' of conductor added to the plant. There were 249 poles and 41,911' removed from the plant.

Engineering work for the month included working on new service and bi-annual line inspections. Those inspections are 88% for Danville and 75% of Lebanon. Joint Use billing total to Charter through October is \$1,785,801. Mr. Phelps displayed the five (5) categories that generated that sum. There were 824 bud calls and 59 of those were for the Cooperative. There were 51 new service orders in October.

Mr. Phelps discussed the work of the various crews and the locations where the work was being completed.

Right-of-way clearing is behind based on the projections for the year through October. This is due to the chart only being updated when payments are made. The YTD billings were \$1,246,716 for cycle clearing of 291.34 miles. The cost for maintenance was \$209,091 and \$51,805 has been expended for Work Orders. Total YTD costs were \$1,679,174 [not including Work Orders.]

Mr. Phelps ended with a review of several items listed in the Miscellaneous section of his report. There are still no further updates on the North American Power Systems or Archaea at Tri-K landfill. Metts Drive substation is on track for energizing in December 2025. Danny Collier is staking the job to serve the Rice Engines in Casey County to locate and place the

3-phase line to allow for access road modifications. AMI has less than 27 meters to change out and are pending decisions on normal installation or to opt out and pay the extra costs and fees that have been approved by the PSC. Mr. Phelps also added that the PSC inspection of the right-of-way management was completed, and the Cooperative was given great remarks on the ROW management by the Cooperative. He ended his report with the October outage data and advised there were no major events .

D. Member Services

Mr. Hitchcock discussed The Key Account Chart presented and YTD those accounts totaled \$13,351,853. Diageo still dominated the pie chart and accounted for 67% of the total costs of power for the group. The Key Account Monthly Summary Comparison for 2025 reflected total revenue for October was just under \$1,244,000.

The Cooperative sold two more Generac generators.

A display of website traffic and a listing of the data from each visit was discussed. There was also a display of the countries listed from around the world where the visits originated. Chairman Spalding and Mr. Kerrick discussed the “Coffee with Your Legislators” held at the Cooperative on October 17<sup>th</sup>, 2025. They were both extremely impressed with the representatives present.

“Coffee with Legislators” held at the Lincoln County Public Library was discussed. Mr. Hitchcock advised there were about 55 in attendance.

E. Executive

Mr. Carter discussed the construction project summary spread sheet. There is only one year left in that work plan. There is approximately \$17M that could be drawn down on this plan. Mr. Carter then displayed images of employee work anniversaries noting the five people listed were celebrating work service anniversaries with a total of 90 years of service.

1. Corporate Services – Mr. McGuffey reported one incident where an employee got cut by a tool and some stitches were required to address the injuries. The circumstances were discussed with Mr. McGuffey, and the crew members are in review of the incident and what practices would have avoided the incident. The Recordable Incident, DART, and Severity Rates were all 0.0. For 2025 the Recordable Incident Rate is 2.13 and DART Rate and Severity rates are both 0.0.

2. Information Technology and Cyber Security Report - Mr. Bach discussed the charts in his report.

a. Cyber Hygiene - CISA Cyber Hygiene Assessment report was presented. The report card was reviewed and there were zero on hosts with unsupported software, potentially risky open services, and no change in the vulnerable hosts. The Board asked questions on the scope of the report and the time when the report was received. Mr. Bach discussed the risk profiles from the vulnerabilities. He said 14 of the risks have been addressed and mitigated. Those remaining are being reviewed.

b. Risk and Vulnerability Assessment Report (final) - Mr. Bach discussed the final report and the issues to be addressed. Chairman Spalding asked of the process in place to address any cyber incident or attack, and Mr. Bach discussed the existing plan and outline of steps to take in the event of an incident. There is to be a report back to CISA in the next 60 days to identify the responsive actions taken in light of the report's findings.

c. Phishing Report - The chart of the organization's available range is 47.0 with a range from 20.6 to 58.2. This places the Cooperative just outside the yellow range into the orange range. He noted there were no 'clicks' within the Cooperative that generated phishing emails nor were there any real phishing incidents.

## **VII. PRELIMINARY 2026 BUDGET PRESENTATION**

Ms. Kurtz discussed the preliminary budget for 2026 as presented in the board materials. Each department director gave an outline of their respective departments and the expenses listed.

## **VIII. LEGAL/REGULATORY**

### **A. Charter Spectrum Update**

Mr. Carter gave an update on the letter from Tip Depp with Dinsmore. Mr. Dean approved the letter being sent to Charter on November 3, 2025, identifying the overdue amount owed for the existing work for the pole attachments and/or other associated work. Options for payment were discussed, including the possibility of having to sue them. Mr. Carter advised that after the letter was sent a large payment was made but there is still over \$392,000 due and no explanation was given as to why that was not paid. Other options to address the unpaid balance include PSC action and remove Charter from the project.

## **IX. BOARD /CEO SESSION**

### **A. Homestead Fund**

1. Amendment
2. Board Resolution

Mr. Carter advised the Board to review the proposed resolution, and have it reconsidered at the next board meeting.

B. Annual Calendar

Mr. Carter reviewed the annual calendar and did not make any recommendations or changes to the items listed.

C. Dashboard

Mr. Carter presented the indicators and reviewed the key data. He noted the equity continues to build notwithstanding the expenditure on major projects. There were also discussions regarding outages over 3 hours. The primary causes of the outages extending beyond 3 hours surrounded the fact the member did not want a bucket truck on their property.

**X. COMMITTEE REPORTS**

None.

**XI. EKPC**

Chairman Spalding discussed the peaking units and issues related to their use in the generation platform. EKPC recently received its creditworthiness from Fitch ["BBB+"] and S&P ["A"]. These ratings have a direct impact on the ability to get credit and the interest rates for those loans. Mr. Carter discussed the rate increase and the negotiations and how those would impact the end users. He outlined various positions on how the ultimate rates would be impacted. If the rate adjustment is approved, then it could be in place by February 2026. There is some discussion on how the distribution cooperatives may get a surcharge and/or credit for performance issues with EKPC. For September, the margins were \$10.6M over budget and YTD margins were \$15.2M.

**XII. KEC/UUS**

Mr. Todd advised there was no meeting since the Cooperative's last board meeting. He advised his last meeting as Board Chair will be at the end of 2025.

**XIII. NRECA**

A. Board Governance Video

Not presented due to time limits. Mr. Carter noted that the Board may view these videos at any time they wish to do so.

B. Winter School for Directors – December 12-16, 2025 (Nashville, TN)

Hotel: Primary Hotel is Gaylord Opryland Resort and Convention Center (Mr. Russell and Mr. Todd are scheduled to attend.

C. Director's Conference – January 25-28, 2026 (Palm Springs, CA)

Hotel: Renaissance Palm Springs

Chairman Spalding, Mr. Todd, and Mr. Preston are all attending.

D. 2026 PowerXchange- March 6-11, 2026 (Nashville, TN)

1. Meeting Location: Music City Center
2. Kentucky Assigned Hotel: Hyatt House Nashville Downtown

(Cutoff: Jan 21, 2026).

**XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE**

No report.

**XV. RUS-CFC-COBANK NEWS/UPDATES**

- A. CFC Statewide Financial Workshop – January 14-15, 2026 (Lexington).

Hotel: Lexington Marriott City Center

All directors are scheduled to attend.

**XVI. CAPITAL CREDIT DISBURSEMENTS**

For October 2025 there was \$10,825.71 in estate retirements. Mr. Goggin made a motion to approve the estate retirements as stated. Mr. Kerrick made a second to the motion. After discussion, the motion passed unanimously.

**XVII. WORK ORDERS FOR OCTOBER 2025**

- A. Work Order #202510- \$1,394,900.90

A motion was made by Mr. Kerrick to approve the work order as stated above. Mr. Russell made a second to the motion and the motion passed unanimously.

**XIX. APPROVE NEW MEMBERS FOR OCTOBER 2025**

- A. 164 New Members

- B. \$8,200 in membership fees were paid.

Mr. Russell made a motion to approve the new members in the amount of fees stated. Mr. Todd 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 – Tuesday, December 30, 2025, at 8:30 a.m. The January 2026 Board Meeting has been reset to Friday, January 30, 2026, at 8:30 am.

**XXI. EXECUTIVE SESSION**

A motion was made by Mr. Todd to go into executive session for CEO and Attorney reviews. Mr. Goggin made a second to the motion and the motion passed unanimously. Mr. Russell made a motion to come out of executive session. Mr. Goggin made a second to the motion and the motion passed unanimously. Chairman Spalding presented the evaluations to Mr. Carter and Mr. Dean and further advised of the proposed changes to the salary of the CEO

effective as of the 1<sup>st</sup> day of January 2026. Mr. Todd made a motion to approve the changes. Mr. Goggin made a second to the motion and the motion passed unanimously.

**XXII. OTHER BUSINESS**

None.

**XXIII. ADJOURN**

A motion to adjourn was made by Mr. Todd. A second was made by Mr. Kerrick and the motion passed unanimously. The meeting adjourned at. 3:07 p.m.