

## Meeting Minutes Summary

September 2023

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/phone conference, to-wit:

Joseph H. Spalding	J. Kevin Preston
Lou Kerrick	Allen Goggin
Jason E. Todd	

Board Member Bill Peyton was excused from today's board meeting due to an illness on a Motion by Mr. Todd. Mr. Kerrick seconded the motion and the motion passed unanimously. Also present and participating were President and CEO Jerry Carter and filling in for Board Attorney J. Hadden Dean, was Attorney Christopher J. Tucker.

### **I. PRAYER**

Mr. Goggin opened the meeting with prayer.

### **II. SAFETY MOMENT**

Mr. Goggin gave the safety moment and reminded everyone to be on the lookout for farm machinery as the harvest season gets underway.

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

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

### **IV. REVIEW OF AUGUST 18, 2023 MINUTES**

The Board reviewed the minutes of the August 18, 2023, Board Meeting. Mr. Todd made a motion to approve the minutes. Mr. Goggin made a second to the motion and the motion passed unanimously.

### **V. REVIEW OF AUGUST 2023 SUMMARY MINUTES**

The August 2023 summary minutes were reviewed. Mr. Goggin made a motion to approve the summary minutes of the August 18, 2023, board meeting. Mr. Todd 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. For September 22,

2023, 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 presented the Finance & Administration monthly report for August 2023. Ms. Kurtz noted the August operating revenues are down \$140,000.00 from last year and purchase power is \$205,000.00 higher. Operating expenses are \$191,000.00 higher than last year. Year-to-date OTIER was 1.72 and TIER was 1.79. A review of the kilowatt hours purchased revealed a decrease of 5.0% from the prior month. Total services in place increased YTD by 1.05% and miles of lines increased by .60%

The finance report ended with a review of the August monthly budget. Ms. Kurtz reminded the Board to be thinking about the 2024 Budget that will be discussed in the upcoming months.

B. Office Services – Ms. Stocker advised that 28 accounts were overdue and older than May 1, 2023 and that total was \$6,779.57. Mr. Preston made a motion to approve those accounts to 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.

Ms. Stocker noted that on August 23 at 4:30 p.m. the Meridian payment processes were disabled for the conversion to NISC. On Sunday, August 27 payments and service orders were entered into NISC for “GO LIVE” on August 28. Smar Hub was activated at 7:00 a.m. on Monday morning and opened at 7:30 a.m. live with NISC.

C. Operations – A chart displaying the progress of the right-of-way clearing was displayed. Mr. Phelps was happy to advise the Board that it appears that that project is ahead of schedule and all of the 2023 ROW cycle will be completed in October.

He reported that Pernod Ricard – Clay Company came to their safety meeting and presented their safety requirements to be on the job site. He also reported the transformers have arrived as well as a large portion of the wire and terminations for the project.

Mr. Phelps reported a line technician position has been posted to fill a vacancy of an employee who resigned. He reported that new Siemen’s CMR reclosers were installed near Ellisburg Baptist Church in Casey County and stated they are the first oilless, programmable, live-front reclosers on the system. He reported 81 outages in August affecting 3,292 members.

D. Member Services – Mr. Hitchcock reviewed the summary of the member service department activity, as well as the member service activity report, including an update on the success of the Honor flight.

The key account chart was displayed to the Board. Diageo still consumes the majority of that pie chart and represents 73% of the industrial customers’ power usage.

The member services report was closed with pictures of United Way Day of Caring and Christmas Blessings Project on Chrisman Spur, along with pictures from a cleanup project at the Lincoln County Senior Citizens Home in Stanford. Mr. Hitchcock also provided an aerial image of the new EV Battery Plant in Glendale, Kentucky.

E. Executive - Mr. Carter reviewed the construction project summary spreadsheet along with a discussion of the September 2023 service anniversaries for six employees. One has worked at the Cooperative for 30 years and another for 29 years. Mr. Carter announced that Lori Stocker will be retiring on January 5, 2024, after 30 years of service.

1. Corporate Services – Mr. McGuffey gave an update on a recent recordable incident. An employee was moving a digger truck so a forklift could reach some transformers and as he was backing the digger truck, he backed into a small bucket truck.

Mr. McGuffey reported on crew visits and a September Safety meeting held on September 19 where Wes Goings with Clay Company provided a short orientation for employees who may be working on the new Pernod Ricard distillery.

2. Information Technology/Cyber Security Update – Mr. Bach gave an update and advised that there were new and more frequent ‘phishing’ tests that were sent to the Cooperative employees. He noted some failures had actually increased but sophistication of these test emails appears to be more authentic and more frequent. He discussed the seriousness of Ransomware.

3. United Way Day Proposal – Mr. Carter discussed the United Way Day Proposal where employees could earn one (1) extra vacation day in 2024 for employees who donate at least 1 hour pay per month to United Way. Mr. Todd made a motion to approve the proposal. Mr. Kerrick made a second to the motion and the motion passed unanimously.

#### **IX. LEGAL /REGULATORY/POLICY**

##### **A. Policy 202 – Wage & Salary**

Mr. Carter presented Policy 202, regarding wage and salary. The suggested changes to the policy were reviewed. After discussion, Mr. Kerrick made a motion to approve Policy 202. A second was made by Mr. Goggin and the motion passed unanimously.

X. Mr. Carter introduced and welcomed Jena McNeill as a guest. Ms. McNeill is the Director of Government and Legislative Relations with East Kentucky Power Cooperative. Ms. McNeill discussed current legislative trends and topics.

## **XI. DISTRICT 55 – KENTUCKY STATE REPRESENTATIVE KIM KING**

The Board welcomed Representative Kim King to the meeting. Mr. Kerrick introduced Representative King to the Board and Mr. Carter thanked her for her support of the Cooperative. Representative King reviewed the Kentucky General Assembly website found at [www.legislature.ky.gov](http://www.legislature.ky.gov) and provided information on how to navigate the website to stay current on legislative activities. Representative King gave an overview of what to expect in the January 2024 legislative session, specifically discussing 2024 Energy Policies with Senate Bill 4 and House Bill 4. Representative King concluded her time with discussions on dispatchable energy and nuclear power, along with discussions on the pros and cons regarding electric vehicles.

## **XII. BOARD /CEO SESSION**

### **A. Wage & Salary Presentation**

Mr. Carter discussed anticipated medical insurance cost increases. After discussion, Mr. Carter recommended staying at 90/10. Mr. Preston made a motion to stay at 90/10. Mr. Todd made a second to the motion and the motion passed unanimously.

Mr. Carter discussed a proposed 4% raise across the board for Cooperative employees. After discussion, Mr. Kerrick made a motion for a 4% raise across the board for Cooperative employees. Mr. Preston made a second to the motion and the motion passed unanimously.

Mr. Carter presented a power point presentation with two scenarios for pay increases for Linemen and skilled labor. After discussion, Mr. Kerrick made a motion to accept the second scenario for pay increases for linemen and skilled labor. Mr. Todd made a second to the motion and the motion passed unanimously.

### **B. Annual Calendar Review**

Mr. Carter gave an update on the status of the annual calendar and listed the schedule of upcoming months.

### **C. Dashboard Review**

Mr. Carter reviewed the dashboard and went over the metrics outlined therein, including safety, financial, operational and customer indicators.

## **XI. COMMITTEE REPORTS**

### **A. 2024 Board Budgeting**

The Board will begin working on the 2024 Board Budgeting in the upcoming months.

### **B. Capital Credit Discussion**

Mr. Carter discussed consideration of Capital Credit payments for a vote in the October 2024 Board meeting.

**XII. EKPC**

Chairman Spalding gave an update on the EKPC Board meeting held last month. Chairman Spalding discussed several pending projects and informed that several letters of intent have gone out. A planning meeting is scheduled for the second week of October.

**XIII. KEC/UUS**

Mr. Todd gave an update on the meeting held on Tuesday. University of Kentucky president Eli Capilouto was a guest speaker and discussed jobs and employment in the State of Kentucky.

**XIV. NRECA**

A. Board Governance

The video was postponed for this month's meeting.

B. Sign Voting Delegate Form for Regional Meeting

Chairman Spalding and Mr. Preston were selected as voting delegates at the 2023 Regional Meeting.

C. Region 2 & 3 Meeting – October 11 – 13, 2023 (Louisville, KY)

Chairman Spalding, Mr. Kerrick and Mr. Todd will be attending the Region 2 & 3 Meeting at The Galt House in Louisville, Kentucky.

D. Winter School for Directors – December 8-12, 2023 (Nashville, TN)

Following a brief discussion, Mr. Goggin made a motion for Mr. Kerrick to attend the Winter School for Directors in Nashville, Tennessee. Mr. Todd seconded the motion and the motion passed unanimously.

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

No report given.

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

A. Approve Voting Delegate and Alternate for CFC 2023 District Meeting (October 12<sup>th</sup>)

Mr. Goggin made a motion to approve Mr. Todd as the delegate to the CFC 2023 District Meeting, with Mr. Kerrick as the alternate delegate. Mr. Kerrick made a second to the motion and the motion passed unanimously.

B. CFC Financial Workshop – January 22-23, 2024 Lexington

Mr. Carter advised of the upcoming CFC Financial Workshop. Any board member wishing to attend and participate needs to give Ms. Coleman notice as soon as possible.

**XVII. CAPITAL CREDIT DISBURSEMENTS**

For August 2023 there was \$13,852.60 in estate retirements. As of August 2023, the Cooperative has retired over \$14,506,957.00 in capital credits. Mr. Todd made a motion to approve the capital credit disbursements in the amount listed above. Mr. Goggin made a second to the motion and the motion passed unanimously.

**XVIII. WORK ORDERS FOR AUGUST**

A. Work Order #202308 - \$454,294.05

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 June 2023**

A. 105 New Members

B. \$5,250.00 in membership fees were paid.

Mr. Todd made a motion to approve the new members in the amount of fees stated, which was seconded by Mr. Kerrick. The motion passed unanimously.

**XX. 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 Friday, October 27, 2023, at 8:30 a.m.

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.