

Meeting Minutes Summary

April 2026

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. CALL TO ORDER

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:

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|--------------------|--------------------------|
| 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 Executive Assistant Farrah Coleman. Attorney J. Hadden Dean was absent due to a death in the family.

II. PRAYER

Mr. Russell opened the meeting with prayer.

III. SAFETY MOMENT

Mr. Kerrick shared a safety moment regarding the use of eye protection while playing sports, to avoid eye injuries.

IV. ADOPTION OF AGENDA

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

V. ACTION ON MARCH 27, 2026, BOARD MEETING MINUTES

The Board reviewed the March 27, 2026, Board Meeting minutes. Mr. Todd made a motion to approve the minutes. Mr. Goggin made a second to the motion and after discussion the motion passed unanimously.

VI. ACTION ON MARCH 27, 2026, SUMMARY MINUTES

The March 27, 2026, summary minutes were reviewed. Mr. Kerrick made a motion to approve the summary minutes. Mr. Russell made a second to the motion and the motion passed unanimously.

VII. REPORT OF THE 2025 FINANCIAL AUDIT (JONES, NALE & MATTINGLY)

Mr. Travis Frick and Mr. Jason Garmin with Jones, Nale & Mattingly presented the report of the cooperative's 2025 financial audit, stating there were no unusual findings. Mr. Frick advised it was a clean audit with no deficiencies, weaknesses or non-compliance. He further added that the Executive Staff and employees were accommodating and great to work with during the audit process and he assured the Board that Jerry, Alyssa and the staff keep accurate records throughout the year as evidenced by no needed adjustments in the audit.

VIII. EXECUTIVE SESSION (BOARD, ATTORNEY AND AUDITORS)

Mr. Todd made a motion to go into Executive Session. Mr. Kerrick made a second and the motion passed. Mr. Russell made a motion to come out of Executive Session. Mr. Preston made a second and the motion passed. No action was taken.

IX. DEPARTMENT REPORTS

Departments

The minutes will reflect 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

March operating revenues are \$172,000 lower than last year and there were negative margins of \$339,000, while the budget was for positive margins of \$304,000. The Cooperative had a negative OTIER for March of (0.80) and a negative TIER of (0.65). Net operating margins were (\$644,602.00).

The year-to-date operating revenue is at \$21M and is \$502k higher than last year. Purchase power is \$17M and \$213k greater than last year. Operating expenses are \$5M and are \$75k higher than last year. Year-to-date net margins were budgeted to be \$380K and we are currently at negative \$243k.

A comparison of the purchased power bill was made, for February 2026 and March 2026, as well as March 2025 and March 2026. The kWh purchased decreased by 26% from the previous month.

A chart of payroll overtime hours was presented, showing overtime hours and wages paid for March 2024, March 2025 and March 2026.

Ms. Kurtz advised that total services in place increased YTD by 1.88%. Miles of line have gradually increased. There has been a slight slow down of new services from last year.

Form 7, Interest Income Report, and Working Capital Status Report and Forecast for 2026 concluded the financial report.

1. March 2026 Debt Summary. Ms. Kurtz presented a summary of the cooperative's debts as of March 31, 2026, showing loans from CFC, CoBank and FFB with current loan balance, maturity date and interest rate, noting that all but one are now on fixed rates.

B. Office Services

Ms. Kurtz advised 18 accounts were overdue and older than December 1, 2025. The total for those overdue accounts was \$1,727.93. Mr. Kerrick 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.

Currently, there are 666 members with prepaid accounts.

1. March 2026 Capital Credit Recap. Ms. Kurtz gave an update on the status of the general retirement of capital credits. A spreadsheet outlining the data was reviewed.

C. Operations

The plant account completed 746 work orders in March. There were 173 poles installed and 12,732' of conductor added to the plant. There were 148 poles and 4,963' removed from the plant.

Engineering work for the month included working on new services and joint use. The bi-annual line inspections were 30% completed for Danville and 38% for Lebanon. Joint Use work includes Charter has been billed \$1,207,783 through March. In March there were 1,082 bud calls and 77 were for the Cooperative. There were 61 new service orders created in March.

Elliot and C and C currently have 5 crews each, working in the Lebanon area on Charter pole replacements. South East Power has 5 crews in Garrard County and CW Services has 4 crews working in Casey County. All contract crews are working 50 hours a week on the pole replacements. Mr. Phelps added that the Charter work is progressing well after ramping up the number of crews working. He projected an average of 92 pole replacements per week and to be completed by the end of June.

All Inter-County crews are currently working on new service work orders as well as Charter pole replacements when possible.

Mr. Phelps gave an update on where each of the Right of Way crews are currently working, showing a graph that displayed the miles of Right of Way cleared through March.

Other miscellaneous updates included the RICE Engines in Casey County projected to be complete by the end of April with the work on their temporary construction power to be completed later. The primary metering has been installed and transformers set for the Grissan circuit out of the North Lebanon substation.

Mr. Phelps stated he met yesterday with all communications companies the cooperative deals with to schedule joint use inventory. There will be six crews coming in to get a count of all attachments to our poles.

He concluded the Operations report by advising that there is an open lineman position and the job has been posted internally first. If it is not filled internally, it will be posted for the public.

D. Member Services

The Key Account chart was presented and year-to-date those accounts totaled \$3,950,762. Diageo still dominated the pie chart and accounted for 67% of the total costs of power for the group. Mr. Hitchcock shared a graph displaying usage data in 15-minute intervals for a church parsonage where a faulty water heater element caused high usage. The available data tools allows member service reps to help pinpoint specific times of higher usage and help members identify issues that may be causing their high electric bills.

1. Annual Meeting Calendar

a. C & E Meeting

All Credentials and Elections Committee members have been contacted (Boyle, Garrard, Lincoln, Mercer) and the meeting has been confirmed for Friday, May 15, 2026.

b. Scholarship Drawing

Mr. Bach prepared a 'spin wheel' to randomly select a winner from each of the six districts. A winner for each district was announced and will be awarded a \$1,000 college scholarship.

E. Executive

Mr. Carter discussed the construction plan spread sheet. Mr. Carter then displayed images of employee work anniversaries noting the nine people listed were celebrating work service anniversaries with a total of 122 years of service. He then showed a state chart of

estimated population change from 2020-2025 by county. In Inter-County's service area Garrard County has had the largest increase in population during that time.

Mr. Carter advised the closing for the purchase of the Lebanon property has been completed. Mr. Kenny Peterson will lease the property this year for row crops. The lease agreement is for \$225 per acre for 17 acres. Mr. Todd made a motion to approve the lease agreement. Mr. Kerrick made a second to the motion and the motion passed unanimously.

1. Safety and Corporate Services. There were no incidents to report. The Recordable Incident rate was 0.00 for March. The DART and Severity Rates were all 0.00. For 2026 the Recordable Incident Rate is 6.75 and DART Rate and Severity rates are both 0.00. All line personnel went through transformer banking training with KEC in March. Dielectric testing is currently being conducted on tools and trucks.

2. Information Technology and Cyber Security Report.

a. Mr. Bach discussed the Assessment Summary for April 27, 2026. He discussed the report and noted there were no changes and advised it was a good report.

b. Phishing Report

No clicking happened in the recent past but there is still a trend that is being addressed.

3. East Kentucky Power Rate Case

Mr. Carter advised that East Kentucky Power's rate case was approved last week. We received our rates earlier this week and will be preparing to file our revised tariffs. He noted that after the increase, our members will pay \$126.74 per 1,000 kWh used, which is still cheaper than the local investor-owned utility and added that our customer charge will increase from \$15.67 to \$16.16, remaining one of the lowest in the state.

X. LEGAL/REGULATORY/POLICY

A. Policy 218 – Travel Expenses (Action on Proposed Revisions)

This policy was discussed with some minor changes. After discussion, Mr. Todd made a motion to approve the policy with the proposed revisions. Mr. Kerrick made a second and the motion passed unanimously.

B. Policy 222 – Compensation for Injuries on the Job (Review) and Policy 327 – Employee Use of AI (Review)

Both policies were reviewed with no changes. Mr. Preston made a motion to approve the policies as reviewed. Mr. Russell made a second and the motion passed unanimously.

XI. 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.

B. Dashboard

Mr. Carter discussed all factors that impacted margins for the month and year to date. OTEIR AND TIER are both in the red zone. Other metrics on the Dashboard showed strong results with all metrics in the 'green' category.

C. Board Policy Review:

- a. 405 – Committees of the Board of Directors
- b. 405A – Audit Committee Charter
- c. 405B – Board Governance Committee Charter

Mr. Kerrick moved to approve all policies as reviewed without changes. Mr. Preston made a second to the motion. After discussion, the motion passed unanimously.

XII. COMMITTEE REPORTS

A. Audit Committee

Mr. Preston gave a report from today's Audit Committee Meeting at which the Audit Committee recommended approval of the 2025 Financial Audit as presented by Jones, Nale and Mattingly. A motion was made by Mr. Preston on behalf of the Committee to approve the financial audit. Mr. Todd made a second to the motion and the motion passed unanimously.

B. Governance Committee

Policy 408 – Chairman Spalding discussed that there was an ongoing review of this policy. The Governance Committee met this morning to discuss the policy changes. They plan to have the revisions ready to present to the Board within the next couple months.

XIII. EKPC

Chairman Spalding and Mr. Carter gave a recap of the East Kentucky Power Board Meeting that was held on April 13th, noting that everything is going well with the pipeline installation, noting they plan to run gas lines to the Smith powerplant while doing the others. He also stated that the RICE engines and solar projects are going well.

Their revenue was \$1.9 million above budget and \$14.3 million above budget year to date.

A. Liberty Station Groundbreaking –

The groundbreaking for the Liberty Station will be on Wednesday, May 20th at 10:00 a.m. followed by lunch at the Bread of Life Café. Mr. Russell, Mr. Preston, Mr. Todd, Mr. Carter and Chairman Spalding plan to attend the event.

B. Appoint Representative / Alternate Representative for EKPC Annual Meeting
Mr. Russell made a motion to appoint Mr. Preston as the voting representative and Mr. Todd as the alternate representative at EKPC's Annual Meeting on June 9, 2026. Mr. Goggin made a second to the motion and the motion passed unanimously.

XIV. KEC/UUS

Mr. Carter advised there was nothing new to report since last month's meeting.

XV. NRECA

A. Board Governance Video - due to time constraints no video was played.

B. Summer School for Directors – June 26-30, 2026 (Louisville, KY)

1. Hotel: Louisville Marriott Downtown (Cutoff: June 5, 2026)

C. Legal Seminar – Mr. Dean requested to attend the upcoming legal seminar.

Mr. Todd made a motion to approve Mr. Dean's attendance at his choice of one of the two upcoming legal seminars. Mr. Russell made a second and the motion passed unanimously.

XVI. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

XVII. RUS-CFC-COBANK NEWS/UPDATES

A. CFC Forum – June 15-17, 2026 (Chula Vista, Ca)

1. Hotel: Gaylord Pacific Resort & Convention Center (Cutoff: May 21st)

2. Attending: Joe Spalding and Jerry Carter

B. Appoint CFC Voting Delegate / Alternate Delegate

Mr. Kerrick made a motion to appoint Mr. Spalding as the CFC Voting delegate and Mr. Carter as the Alternate Delegate for the upcoming CFC Forum. Mr. Goggin made a second and the motion passed unanimously.

XVIII. CAPITAL CREDIT DISBURSEMENTS

For March 2026 there was \$26,610.33 in estate retirements. Mr. Russell made a motion to approve the estate retirements as stated. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

XIX. WORK ORDERS FOR MARCH 2026

A. Work Order #202603- \$766,946.13.

Motion by Mr. Goggin with a second by Mr. Kerrick. The motion passed unanimously.

XVIII. APPROVE NEW MEMBERS FOR MARCH 2026

A. 132 New Members

B. \$6,575.00 in membership fees were paid.

Mr. Todd made a motion to approve the new members and the amount of fees stated. Mr. Russell 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 – Friday, May 22, 2026

1. 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. Todd. A second was made by Mr. Goggin and the motion passed unanimously. The meeting adjourned at 1:20 p.m.