

Meeting Minutes Summary

August 2025

The regular monthly meeting of the Board of Directors of Inter-County Energy Cooperative Corporation (hereinafter called the Cooperative) was conducted at the office of the Corporation in Danville, Kentucky, on Friday, August 29, 2025, at 8:30 a.m.

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:

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.

II. PRAYER

Mr. Russell opened the meeting with prayer.

III. SAFETY MOMENT

Mr. Kerrick discussed an article on the keys to long life. Those include maintaining regular check-ups with your medical providers, following prescription directions, and having an active lifestyle including spiritual content.

IV. ELECTION OF BOARD OFFICERS

Mr. Dean led the election of the officers for the Board. Mr. Kerrick made a motion to keep Mr. Spalding as Board Chairman, Mr. Todd as Vice Chairman and Mr. Preston as secretary/treasurer. Mr. Goggin made second to the motion. After discussion, the motion passed unanimously.

V. ADOPTION OF AGENDA

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

VI. ACTION ON JULY 25, 2025 BOARD MEETING MINUTES

The Board reviewed the July 25, 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.

VII. ACTION ON JULY 25, 2025 SUMMARY MINUTES

The July 25, 2025, summary minutes were reviewed. Mr. Goggin made a motion to approve the summary minutes. Mr. Russell made a second to the motion and the motion passed unanimously.

VIII. 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

July had positive margins of just over \$410,876 but that sum was approximately (\$116k) below budget. The Cooperative had OTIER for July of 2.84 and TIER was 3.02. The year-to-date operating revenue was just under \$44.4M, which is approximately \$3.43M over budget. The year-to-date budget for net margins was \$45,864 and currently net margins are \$1,734,238. Year-to-date OTIER is 2.22 and TIER is 2.28.

Borrowing rates for approximate quarterly interest rates between July and August of 2025 were reviewed. The rates trended lower for all maturity dates except 20 year and 30 year which were marginally higher.

Interest Income Report, Working Capital and Forecast Report were reviewed along with cash flow and available cash.

B. Office Services

Mr. Carter advised 42 accounts were overdue and older than April 1, 2025. The total for those overdue accounts was \$15,530.86. Mr. Preston 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 198 overdue accounts YTD, and the cumulative sum owed was approximately \$62,242.35.

Currently, there are 629 members with prepaid accounts and total members had \$21,125.70 in repayment arrangements.

A summary of the Online Utility Exchange reflected that total collections were \$134.56 from both online and transactions at the Cooperative. Mr. Carter noted approximately one-half of the membership have credit that was in a “yellow” or “red” category based on information from the credit agency used for the Cooperative.

C. Operations

Mr. Phelps advised the plant account completed 215 work orders within July. New construction was just over \$3,500,269 and purchases were \$353,190. There were 168 poles installed and 63,091' of conductor added to the plant. There were 123 poles and 48,623' were removed from the plant.

Engineering work for the month included working on new service and bi-annual line inspections. Those inspections are 67% for Danville and 69% of Lebanon. Joint use work includes Charter has been billed \$7,462,529 for "make ready" on the joint use project. Charter has paid \$5,700,482 of that sum. To date, there have been 1200 work orders created and 936 of those completed.

Contract crews worked on Alcan pole replacements, new services, and correction of clearance issues. There was conductor change at the Highland-Green River Circuit. There are four crews from Elliott currently working within the service territory working on Charter and Alcan pole replacements. All Cooperative crews are working on new service work orders and pole replacements.

Right of way clearing is slightly behind based on the projections for the year. The YTD billings were \$841,188 for cycle clearing of 196.16 miles. The cost for maintenance was \$112,421 and \$25,139 has been expended for Work Orders. Total YTD costs were \$1,041,786 [not including Work Orders.]

The AMI project has been progressing. At the time the report was created approximately 900 meters were left to be changed.

Mr. Phelps ended with a review of several items listed in the Miscellaneous section of his report. Notably, Archaea Renewable Natural Gas has not yet broken ground at the Tri-K Landfill in Lincoln County. The survey of the work has been completed. Work has begun at the new Mett's Drive substation in Lebanon. The transformer at the Morris Packaging building has been placed. Pernod Ricard will be testing the boilers sometime in the near future, but no date has been given. The Grissan facility is completing grading work. Before the Cooperative can install the service, line tree removal will need to be completed by Grissan.

D. Member Services

Mr. Hitchcock reviewed the community activities listed in his report.

The Key Account chart was presented and YTD those accounts totaled \$9,504,553. Diageo still dominated the pie chart and accounted for 66% of the total costs of power for the group. The Key Account Monthly Summary Comparison for July of 2025 reflected total revenue was just under \$1,366,000.

Images of a new electric truck manufactured by Slate Auto were displayed. This is a relatively low cost fully electric truck with estimated cost of \$25,000. A map of the current charging stations throughout Kentucky was displayed. It showed 46 sites were currently online with more coming. Trilogy Health in Harrodsburg has begun construction on the 32 independent housing units. Images of that work were displayed. There will also be a clubhouse added at some point. These residences are located at The Willows in Harrodsburg.

1. Annual Meeting Recap

Chairman Spalding discussed the annual meeting and solicited thoughts from the Board. He noted with no contested elections for the Board that he expected the attendance would not be that great.

2. 2025 Annual Meeting Minutes

Chairman Spalding displayed the draft minutes from the annual meeting for review only. No changes were noted, and the Board will consider approval of these at the next annual meeting.

E. Executive

Mr. Carter discussed the construction plan spread sheet. There is only one year left in that work plan. There is approximately \$17M left to draw down from that plan. The next work plan is being drafted. Mr. Carter then displayed images of employee work anniversaries noting those listed were celebrating work service anniversaries with a total of 29 years of service.

1. Video of Regional Industrial Site

Mr. Carter played a video which provided background and updates of the Regional Industrial Site in Rockcastle County. Various speakers discussed what it took to get the project to come to fruition and the benefits that will come to this area of the state.

2. KRTA Review

Mr. Carter distributed a spreadsheet that contained the data for the Key Ration Trend Analysis (KRTA) for the Cooperative. There are 145 ratios represented and some of these include blended interest rate, equity, long term debt as percentage of total assets, total average customers, KWH sold, total utility plant, number of employees and total miles of line to mention a few. He explained how the columns of the spreadsheet related to the data for the Cooperative and reviewed several of the ratios.

Mr. Carter noted these trends along with the impending EKPC rate pass through suggested a rate case be explored. One of the possible requests could include a revenue neutral case with adjustment of demand charges to help improve the various relevant 145 ratios. This will help each rate class to be adjusted. Costs of service will be conducted for the rate case

per PSC rules. It is expected that a streamline rate case review will be requested, but a full rate case may be needed.

3. Corporate Services

Mr. McGuffey discussed the items in this report. He advised there were no incidents in July. The Recordable Incident, DART, and Severity Rates were all 0.0. For 2025 the Recordable Incident Rate is 2.71 and DART Rate and Severity rates are both 0.0. The July Safety Meeting was conducted by Charlie Lewis from KEC and it covered training on spill cleanup and response. There was also an SPCC plan review conducted as well.

a. Leadership Training Proposal

Mr. McGuffey discussed the idea of leadership training that was suggested at the safety committee meetings. The focus was on turnover for the upcoming years. They solicited Jim Green from KEC on a 12-month training program. The Safety Committee and Executive Staff will consider if the program moves forward and if so, who will take part in the program. Mr. Preston moved the Board to approve the plan and program. Mr. Todd made a second to the motion. A discussion ensued regarding the program, who will participate and who will plan on how to select those that will be involved and what role they will play and have contact with Executive Staff. The cost is estimated to be \$6,800.00 for the program. This would not include the labor cost for the Cooperative. The motion passed unanimously.

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

He also presented Policy 325, Cyber Security Incident Response Plan and Policy 326, Information Security Policy. These policies reflect many aspects of how the employees and Executive Staff address multiple issues relating to cybersecurity for the Cooperative. Those plans are complex, and the Board reviewed and discussed the plans and asked questions to the employees at the Board meeting from Technology/Cybersecurity department. The plan was first put in place in 2017 and the version distributed to the Board was updated February 28, 2025. The Board also discussed the issues recently with contractors and vendors being the source of cyberattacks and how the staff is planning to address those threats. Staff discussed how the vendors have access to the systems. Mr. Carter also advised that a recent review of the systems was made by Tokyo Marine with a continued desire to address multiple types of cyber security threats.

The recent history of “clicking” has significantly improved, but due to the manner in which the charts are displayed, including six prior months, the “Risk Score” is at 47.2.

Again, Mr. Bach pointed out the industry average for phone phishing was 3.1%. Comparatively, the Cooperative's average was only .7%.

a. Federated Letter – Cyber Vulnerability Scan.

Mr. Carter attached a copy of a cover letter which was sent to Federated on August 13, 2025 regarding an email previously sent from Don Franta with Federated. The letter identified the answers to "mitigation and required actions" which included confirmation that the SSL VPN is disabled by default for all users, account lock out is enabled for both admins and users and that MFA is enforced. He also confirmed audits are conducted quarterly to remove accounts not in use. Last, he confirmed questions regarding SonicWall were not affected by a list of vulnerabilities and Mr. Bach confirmed the SonicWall products are not affected by those mentioned.

IX. LEGAL/REGULATORY

A. Policy 318 – Lockout Tagout (Action on Proposed Revisions)

Mr. Carter discussed the multiple changes to this policy along with the steps and through review the Safety Committee and other employees and Executive Staff made in supporting the proposed changes. Mr. Todd made a motion to approve the policy and the proposed changes. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

X. BOARD /CEO SESSION

Mr. Carter advised the staff had discussed "Juneteenth" and did not recommend taking this as another holiday. He also noted that the Cooperative does not take Veterans Day as a holiday.

A. Annual Calendar Review

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

B. Dashboard Review

Mr. Carter discussed all factors that impacted margins for the month and YTD. TIER and OTIER continue in the 'green' section of the chart. Equity continues to be stable and may soon be in a condition to consider a general retirement of capital credits. He will discuss the possible amounts of general retirement and how that would impact equity. He reminded the Board of issues on a rate case based on the PSC rate passing through among other issues.

He distributed Policy 431-Capital Credit Allocation & Retirement as the Board considers the possibility of making a general retirement of capital credits. The Board is encouraged to review that and Policy 413A.

XI. COMMITTEE REPORTS

No report.

XII. EKPC

Margins were \$5.4M over budget for June and \$9.7M favorable budget YTD but were still negative for the year.

Chairman Spalding discussed how resilient the system was after an all-time peak for system demands during extreme warm weather during June and July. He advised all generation facilities were running and did so without incident. He reported PJM and auction prices for energy are multiples of what they were just a few years ago. There were first reads for bid contracts for the projects for new generations. Chairman Spalding also circulated a copy of the "Power Pulse Newsletter" for the Summer 2025. This version highlighted the upcoming strategic retreat to focus on the future. There is an ongoing process in place to search for the next CEO of EKPC. Chairman Spalding advised he is part of the search committee.

XIII. KEC/UUS

Mr. Todd discussed the recent KEC Annual Meeting held in Louisville and continues to be pleased with the sales and expansion of the markets where United Utility Supply products can be sold. He advised the annual meeting was a huge success and the speakers and topics were well received. Mr. Todd's term as chairperson will conclude at the end of the year. He also discussed contributions to political candidates and noted the resources available for that purpose are limited due to reduced giving.

XIV. NRECA

A. Board Governance Video

Mr. Carter played the Artificial Intelligence Video titled "The Boards Role" put on by the NRECA. The interview covered some use of AI when considering a project. The details included need for security and the difference in an Open and Closed platform. Issues of how the AI platform uses the details of where the information may be available to outside sources. Risks are similar to cybersecurity risks [penetration and other testing.]. The oversight role considers risk, audit of those risks and prioritizes those risks and the enterprise risk plan. This begins with a recommendation for good AI policy. A discussion was also held regarding internal and external audits to make sure sensitive data is kept safe. There is also some testing of infrastructure that helps with security of sensitive data and different levels of use that require differing approaches to keep the Cooperative safe.

B. Region 2 & 3 Meeting- October 21-23, 2025 (Biloxi, MS)

1. Hotel: The primary hotel is currently sold out. NRECA will secure additional rooms. Cutoff for registration is September 19, 2025.

2. Delegate: Voting/Alternate: Jason Todd (Appointed at January 2025 Board Meeting)

Mr. Goggin made a motion to approve the travel for Mr. Todd and Mr. Preston to the seminar/training. Mr. Russell made a second to the motion and the motion passed unanimously.

XV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

XVI. RUS-CFC-COBANK NEWS/UPDATES

No report.

XVII. CAPITAL CREDIT DISBURSEMENTS

For July 2025 there was \$13,381.07 in estate retirements. Mr. Todd made a motion to approve the estate retirements as stated. Mr. Kerrick made a second to the motion. After discussion, the motion passed unanimously.

XVIII. WORK ORDERS FOR JULY 2025

A. Work Order #202507- \$1,027,176.71.

Mr. Russell made a motion to approve the work order as stated. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

XIX. APPROVE NEW MEMBERS FOR JULY 2025

A. 150 New Members

B. \$7,500.00 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.

XX. MISCELLANEOUS

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

B. Next Board Meeting – The September Board Meeting has been moved to Friday, September 26, 2025 at 8:30 am.

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.

2. Chairperson. Spalding noted multiple conflicts with upcoming board meetings. Mr. Kerrick moved that the following dates be used for meetings:

- a. Wednesday, October 29, 2025 at 8:30 a.m.
- b. Friday, November 21, 2025 at 8:30 a.m.
- c. Tuesday, December 30, 2025 at 8:30 a.m.

Mr. Goggin made a second to the motion and the motion passed unanimously.

XXI. OTHER BUSINESS

None.

XXII. 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 2:16 p.m.