

Meeting Minutes Summary

August 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 - Virtual
Louis A. Kerrick	Allen Goggin
Jason E. Todd	John Henry Russell

Also present and participating were President and CEO Jerry Carter and Board Attorney J. Hadden Dean.

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 (virtual)
Louis A. Kerrick	Allen Goggin
Jason E. Todd	John Henry Russell

Also present and participating were President and CEO Jerry Carter and Board Attorney J. Hadden Dean.

II. PRAYER

Mr. Kerrick opened the meeting with prayer.

III. SAFETY MOMENT

Mr. Kerrick gave a safety moment relating to the hazards of working or being outside during extreme heat. This included the symptoms of heat exhaustion and the best practices to avoid during this condition and how to treat it as well. Mr. Goggin added it is soon to be harvesting season and to be mindful of large, slow-moving farm equipment on the highway.

IV. ELECTION OF BOARD OFFICERS

Mr. Dean solicited nominations for the Board offices. A motion was made to elect Mr. Spalding as Chairperson, Mr. Todd as Vice Chairperson and Mr. Preston as Treasurer. After a second to the motion, there was discussion and the motion passed unanimously. The officers were seated and Mr. Spalding continued the meeting as Board Chair.

V. ADOPTION OF AGENDA

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

VI. GUEST - JEFF VANHOOK, ECONOMIC DEVELOPMENT DIRECTOR FOR GARRARD AND ROCKCASTLE COUNTIES

Mr. Vanhook has 9 years of experience working with the economic development in central Kentucky. Woods Adams, Lincoln County Judge Executive, was also in attendance.

Mr. Vanhook gave an update on the background of how the 'mega site' in Rockcastle County was developed and the steps and issues that were overcome to get the project off the ground. He continues to be active in the coordination of multiple sites in central Kentucky. Mr. Vanhook spent an hour answering questions and giving details on the plans for the projects throughout central Kentucky, including two Build-Ready pads located in Lincoln County, which are within 15 miles of the RGL Rockcastle Mega site.

VII. REVIEW OF JULY 24, 2026, MINUTES

The Board reviewed the minutes of July 24, 2026, Board Meeting. There were two changes to the draft of the minutes, and Mr. Preston made a motion to approve the minutes with the changes mentioned. Mr. Todd made a second to the motion and the motion passed unanimously.

VIII. REVIEW OF JULY 24, 2026, SUMMARY MINUTES

The July 2026 summary minutes were reviewed with the changes referenced above. Mr. Russell made a motion to approve the summary minutes of the July 2026 Board meeting. Mr. Goggin made a second to the motion and the motion passed unanimously.

IX. 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 the June 2026 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 of 2026 had operating revenues \$5.7M and OTIER was (2.100) and TIER was (2.04) for the month. YTD OTIER was 2.66 and TIER was 2.79. YTD operating revenues are \$2.9M above budget, and expenses are \$173,690 below budget. YTD Net Margins were \$1.153M above budget.

The Kwh purchases increased by 13% from June to July. Overtime hours were significantly higher in July [738.5] when compared to July of 2025 [482.25]. The Board reviewed

the FFB quarterly interest rates between July and August. Most of those maturity dates reflected a slight increase in the rate in August.

Total services increased by 1.28% YTD.

The Form 7 report was reviewed.

Ms. Kurtz discussed the new "Positive Pay" program at Farmers Bank. This is a new program that requires the Cooperative to upload check data to the bank so that, when a check is presented for payment, the bank can compare the presented check against the information previously provided by the Cooperative. If the data does not match the check is declined. This program helps prevent fraud and protect both the banks' customers and the bank. Ms. Kurtz stated that there have been a small number of instances in which capital credit checks were presented for payment in amounts greater than the amounts for which they were originally issued. She added that the program is provided by the bank at no cost to the Cooperative and requires only minimal additional work by Cooperative staff.

B. Office Services

Ms. Kurtz advised there were 44 accounts that were overdue and older than March 1, 2026, and that total was \$14,930.24. Mr. Todd made a motion that these accounts be assigned to bad debt and sent to collections pursuant to PSC regulations. Mr. Goggin made a second to the motion and the motion passed unanimously. The year-to-date total of accounts written off was \$63,972.64.

Prepaid accounts totaled 672 and payment arrangements totaled \$15,505.46.

1. July 2026 Capital Credit Recap

Ms. Kurtz presented the data on the payout for review and discussion.

C. Operations

Mr. Phelps advised that there were ongoing interviews for positions in the Operations department.

The Plant account report stated that there were 208 new work orders in July, with new construction totaling just over \$1,806,370. Purchases for July were \$261,549 and 236 poles and 43,151' of conductor were added to the plant. Removed from the plant were 206 poles and 15,987' of conductor.

Bi-annual line inspections are 64% complete in Danville and 65% in Lebanon. In July 1,387 bud calls were made and 50 were Inter-County's. There were 51 new service orders created in July.

Joint Use balances were displayed with a total owed through July of \$730,039.

Right of Way costs for cycle clearing and herbicide for YTD billing was \$1,515,129.

The RICE engines project in Casey County is well underway. All that remains from the Cooperative is the underground primary and transformer to supply temporary power. Images of the site and a news article were presented.

1. PSC Periodic Compliance Inspection Report

The letter from the PSC on the recent Periodic Compliance Inspection report was presented. The report stated no deficiencies were identified and no further action was required by the Cooperative.

- D. Member Services

Mr. Hitchcock discussed the recent sale of a generator. He also presented details on the Big Blue Cancer Blast and PBK Bank/WPBK-FM Death Valley Bowl Program. A ¼ page ad for the game was published this past weekend including each of the cooperatives from the teams from Madison Central, North Bullitt, Garrard, and Lincoln County. He also advised that Inter-County has presented an advertisement in the Burgin PTO.

This was followed by a “pie chart” for revenue from the Key Accounts. The chart continues to be dominated by Diageo at 67% with Makers Mark in second place with 11%. Mr. Carter advised of the upcoming Diageo shutdown for maintenance issues. He also advised of the Pernod Ricard facility and the plans for its planned production timeline.

1. Annual Meeting Recap

Mr. Hitchcock discussed the Annual Meeting and presented a bar graph of the participation from 2019 to date. That chart was based on the total registrants and then by those in Danville and Lebanon.

2. Annual Meeting Minutes

These minutes were presented for review only.

- E. Executive

Mr. Carter discussed the construction work plan and compared that to the amounts paid 10 years ago and now. There has been approximately \$5.4 million end of year data. Mr. Carter presented three employees anniversaries totaling 36 years of collective experience.

1. Corporate Services- Bo McGuffey

Mr. McGuffey was in a leadership program and was not in attendance. Mr. Carter advised that there were no incidents to report.

2. Information Technology and Cyber Security Report

There has been an employee hired to assist in the IT department and will be introduced at the September Board meeting.

- a. Cyber Hygiene Assessment

Mr. Bach advised all testing metrics were excellent as displayed on page 6 of the report on cyber hygiene. Again, there were no issues to be reported.

b. Phishing Report

There were no clicks on real or test phishing emails. He advised that there were approximately 7 'clicks' from all emails per year.

VIII. LEGAL/REGULATORY/POLICY

Mr. Carter presented the following policies for review:

A. Policy 206 – Retirement Program (Review)

Mr. Carter presented this Policy, and the Board did not have any recommended changes.

B. Policy 228 – Consumer Deposits (Action on Proposed Revisions)

Mr. Carter discussed the semantical changes to the policy. Mr. Todd made a motion to approve the Policy 228 with the changes from staff and Policy 206 with no changes. Mr. Goggin made a second to motion and after discussion the motion passed unanimously.

IX. BOARD /CEO SESSION

A. Annual Calendar Review

Mr. Carter gave an update on the status of the annual calendar and listed the schedule for the upcoming months. He invited the Board to review and request suggestions for additional thoughts on agenda items and invitations to extend for attending the Board meeting. He also advised there will be another "Coffee with Legislators" on October 16th, 2026. He expected there would be significant upcoming discussion on HB 593 and data centers.

B. Dashboard Review

Mr. Carter reviewed the Dashboard and went over the metrics outlined therein, including safety, financial, operational and customer indicators. Equity and other metrics are all improving.

C. Board Policy Review

1. Policy 404 - CEO Evaluation Process and Compensation Program

Mr. Carter and Chairman Spalding discussed the policy and some changes that have been suggested. This policy will be presented for further review and revisions at the next meeting.

X. COMMITTEE REPORTS

A. Governance

1. Policy 408 Revisions

Chairman Spalding discussed the policy and some changes that the Governance Committee has recommended. Additional changes were discussed from the December of 2025 version previously approved by the Board. Mr. Carter will be providing a red-line version of the revisions to the policy for the September Board meeting.

XI. EKPC

Chairman Spalding gave an update from last week's meeting at EKPC. He discussed the status of various construction projects. EKPC margins were \$7.8M above budget for the month and \$28.8M above budget for the year. He also discussed some of the steps that are being considered for EKPC to be more competitive in the solicitation and retention of employees. The large data center project in northeast Kentucky is progressing with land purchases and soon a CPCN will be filed by EKPC.

XII. KEC/UUS

Mr. Todd discussed the annual meeting and the board has not met since. The SURE committee met and discussed fall political races and funds for candidates. The sum dedicated to funding those races exceeded \$23,000. Mr. Carter advised KEC continues to have an interest in creating a training center for linemen at the Danville headquarters of the Cooperative.

XIII. NRECA

A. Board Governance Video– not presented due to time.

B. Region 2 & 3 Meeting- October 14-16, 2026 (Orlando, FL)

1. Hotel: Rosen Shingle Creek Orlando (Cutoff: September 11th)

2. Confirm Delegate: Jason / Alternate: Joe (Appointed in Dec. for the 2026 PowerXchange and Regional Meetings)

Mr. Kerrick moved to approve the travel and expenses for Chairman Spalding and Mr. Todd made a second to the motion. The motion passed unanimously.

XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

A. KEC 2026 Attorney Meeting Summary

Mr. Dean discussed the summary created at the annual KEC Attorney meeting. The topics in the report were discussed.

XV. RUS-CFC-COBANK NEWS/UPDATES

A. Strategic Planning Session (Facilitated by CFC) – October 27 & 28

Strategic planning is set to take place in October.

1. Surveys will be emailed through Survey Monkey to Directors and Staff (paper copies will also be available)

XVI. CAPITAL CREDIT DISBURSEMENTS

In July 2026 there was \$19,624.72 paid to estates. Mr. Todd made a motion to approve the retirements as stated. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR JULY 2026

A. Work Order #202607 - \$665,416.07.

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

XVIII. APPROVE NEW MEMBERS FOR JULY 2026

A. 161 New Members

B. \$8,050.00 in membership fees were paid.

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

XIX. 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 Tuesday September 29th, 2026, at 8:30 a.m. Chairman Spalding advised that the November and December meeting dates will need to be reviewed. Mr. Kerrick made a motion to move the November meeting to November 20th at 8:30 a.m. and December meeting to December 29th at 8:30 a.m. Mr. Todd 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.

XX. OTHER BUSINESS

XXI. ADJOURN

A motion to adjourn was made by Mr. Todd. A second was made by Mr. Preston and the motion passed unanimously. The meeting adjourned at 2:35 p.m.