

Meeting Minutes Summary

December 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

Mr. Preston opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick discussed and reviewed an article regarding the factors that can increase the risk of developing cataracts. He made note of activities to avoid which increase the likelihood of having cataracts. One can reduce the risks by wearing protective eyeglasses, eating a good diet with vegetables, managing diabetes, quitting smoking, and working on better sleep patterns, in addition to regular eye exams. Failure to follow these tips could compromise vision and cause permanent blindness.

III. ADOPTION OF AGENDA

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

IV. ACTION ON NOVEMBER 21, 2025 BOARD MEETING MINUTES

The Board reviewed the November 21, 2025, Board Meeting minutes. Mr. Todd made a motion to approve the minutes. Mr. Preston made a second to the motion and after discussion, the motion passed unanimously.

V. ACTION ON NOVEMBER 21, 2025 SUMMARY MINUTES

November 21, 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.

VI. DEPARTMENT REPORTS

Departments

The minutes will reflect that each of the respective department heads have had 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

November had negative margins of \$15,787 and the budget was for positive margins of \$312,647.00. The Cooperative had OTIER for November of 0.89 and TIER was 0.92. The year-to-date operating revenues exceed \$65,522,323 and the budget was \$63,173,216. This was \$2,349,107 over budget. The year-to-date budget for net margins was \$2,909,779 and budget was for negative margins \$290,044. Margins were \$3,199,823 over budget. Year-to-date OTIER is 2.11 and TIER is 2.35.

Borrowing rates for approximate quarterly interest rates between November and December of 2025 were reviewed. The rates trended lower for most maturity periods through 7 years, but for those maturity periods longer, those rates trended higher.

Interest Income Report was reviewed along with cash flow and available cash.

1. Work Plan Loan Withdraw

Ms. Kurtz discussed the need to draw down from the current work plan. The amount proposed to draw down was \$4 million and she asked the Board for guidance on whether or not this should be a variable or fixed rate. Mr. Todd moved to draw those funds down at a variable rate for a 3-month maturity period. Mr. Preston made a second to the motion. After discussion, the motion passed unanimously. Ms. Kurtz noted that there was \$17 million left on the work plan ending in 2025 that was still eligible for withdrawal. The work plan available loan balance is 13 million after the \$4 million withdrawal.

B. Office Services

Ms. Kurtz advised there were 24 accounts that were overdue and older than August 1, 2025. The total for those overdue accounts was \$4,505.45. Mr. Russell made a motion for these accounts to be assigned to bad debt and sent to collections pursuant to the PSC regulations. Mr. Preston made a second to the motion and the motion passed unanimously. There were 293 overdue accounts year-to-date, and the write off year-to-date total \$82,826.61.

Currently, there are 645 members with prepaid accounts.

1. November 2025 Capital Credit Recap

Ms. Kurtz presented a display to summarize the general retirement to be approved by the Board. She said approximately 50% of the checks issued have been cashed.

C. Operations

1. Preliminary 2026-2029 Work Plan. Mr. Phelps presented the 2026 thru 2029 work plan and discussed the variables and unknown costs that would be incurred and could impact that work plan.

Mr. Phelps advised that the Plant Account had completed 359 work orders with initial charges in November. New construction costs came in at \$3,789,628. Purchases were just over \$313,000.00. There was 212 poles and 33,274 feet of conductor added to the plant. There were 167 poles and 7,677 feet of conductor removed from the plant.

Engineering work included new services with staking two miles of reconductor on Mike Genten Road in Lincoln County. The bi-annual line inspections were 98% complete for Danville and totally complete for Lebanon. He then outlined the balance totals for Charter Cable through November with a total just under \$209,000.00.

In November there were 102 bud calls, 88 of which were for the Cooperative. There were 57 new service orders created in November.

The construction crews for the Cooperative are working on new service orders. Contract crews are working on the Alcan Pole Replacements, the new METTS Substation and the Grissan overhead three phase line out of the North Lebanon Substation. Five crews were working on Charter pole replacements.

A chart of the right-of-way clearance for 2025 was presented. The miles cleared were below the projected miles as of November 2025. Year-to-date billings totaled just under \$1,400,090 for cycle clearing of 344 miles, \$212,742 for maintenance and \$54,083 for work orders. The total year-to-date costs excluding work orders were \$1,925,989. The contractor crews have been instructed to provide final billings for the year-end.

Mr. Phelps outlined the budget for the 2026 – 2029 construction work plan. That work plan totaled \$40,558,479. He and Ms. Kurtz both noted the 2022 – 2025 work plan was set at just over \$36,212,000. Of that only approximately \$30,000,000 is expected to be drawn down.

He then gave an outline of the system reliability numbers.

Mr. Phelps discussed the plan for the drone program and its progress. He requested Federated issue insurance coverage for the drones and that is or will be in place before the drones are used. There is no new update on the RICE engine installation in Casey County.

Construction is scheduled to begin in March of 2026 to extend the 3-phase lines to the facility site. The Construction Work Plan for 2026-2029 is complete and has been submitted to RUS for review and approval.

D. Member Services

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

Mr. Hitchcock next presented pictures and some narratives regarding the Christmas Blessings Program and the success it experienced. He also presented images of The Salvation Army Bell Ringing campaign which several of the Cooperatives employees supported. He also advised that the Sweets with Santa and The Grinch did well and presented pictures of the Christmas Parade.

The Key Account pie chart showed Diageo dominating the graphic with 68% through November. Makers Mark followed with 11%, followed by EPC Columbia – Columbia Walmart (3 stores and Toyota Boshoku), all coming in at 7%. The year-to-date totals for the key accounts were \$14,553,621 and of that the top 5 totals as represented in the pie chart totaled just over \$12,070,580. He ended the report with a comparison of the key account monthly summary comparison bar chart that reflected November ended with \$1,201,768.

1. Discussion on 2026 Annual Meeting and Member Appreciation Dates

Mr. Carter discussed the current format and invited board members and staff to make suggestions. The staff and board members discussed the format that was held at the Boyle County High School, the recent format at the headquarters of co-op and Lebanon. There was also a discussion of the relative costs of each format, the number of members contacted or aware of the meeting and have registered, among other factors.

E. Executive

Mr. Carter discussed the construction plan spread sheet. There is only one year left in the 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 the four people listed were celebrating work service anniversaries with a total of 41 years of service.

1. Corporate Services – Mr. McGuffey discussed the items in this report. He advised there were no incidents in November or December. 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.

Information Technology and Cyber Security Report

a. Cyber Hygiene Assessment - Mr. Parsons discussed the “report card” from the CISA report. He mentioned the issues in the report, the remediations that were identified and the upcoming data that will be returned to address the CISA requests.

b. Phishing Report - Mr. Parsons discussed the report and the fact there were no new improper clicks.

2. 2026 PAC Renewal – Mr. Carter and Chairman Spalding discussed and reviewed the current donations. There was discussion regarding board members considering their respective contributions. After discussion, the Board agreed to increase their respective contributions to the “vice president” group at the \$250.00 level. Each director will get with staff to confirm how the contributions will be made.

VII. 2026 BUDGET PRESENTATION AND APPROVAL

Ms. Kurtz presented the budget and said there were no changes from the preliminary budget delivered last month. Mr. Todd made a motion to approve the budget, and Mr. Kerrick made a second to the motion. After discussion, the motion passed unanimously.

VIII. LEGAL/REGULATORY

No report or update.

IX. BOARD /CEO SESSION

Mr. Carter wished everyone a Merry Christmas and Happy New Year.

A. Homestead Fund

1. Amendment. Mr. Kerrick moved to approve the amendment and select Option 1, and to approve the Resolution attached. Mr. Goggin made a second to the motion. The motion passed unanimously. Chairman Spalding and Mr. Preston signed the respective documents.

2. Resolution. See above.

B. Annual Calendar Review

Mr. Carter reviewed the annual calendar. He suggested the Board add a review of Strategic Plan in both January and July. Further, he suggested that in January the Board review and set the dates for the Inter-County Annual Meeting.

C. Dashboard Review

Mr. Carter discussed all factors that impacted margins for the month and year to date. 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.

X. COMMITTEE REPORTS

A. Governance Committee

Policy 408. The Board reviewed this policy with the suggested changes. Mr. Todd made a motion to approve the changes under sections IV (1)D, and IV (2) B, C and D. Mr. Russell made a second to the motion. The motion passed unanimously.

XI. EKPC

Chairman Spalding noted EKPC hired Don Mosier as the new CEO, and he has started service in that role. A representative from TVA discussed the nuclear program and the status of the current nuclear program and the ongoing consideration of new facilities. Year-to-date EKPC had margins of \$15.8M.

A. SEM SUMMARY

Mr. Carter discussed the summary and the rate structure along with the debt load upcoming for new projects and the potential to avoid a rate case for EKPC in 2027 or early 2028. The document outlined how the margins and potential refunds might go to the membership.

XII. KEC/UUS

Mr. Todd discussed the last meeting where he was presiding as the Board Chair. Don Mosier was introduced as the new CEO in that new role. Rob Stivers was recognized for his service. It is noteworthy that his son works at EKPC. He continued to seek information about what was causing the expenses for coops to go up. An overview of the upcoming legislation was presented.

XIII. NRECA

Chairman Spalding asked Mr. Russell to give an update on the classes at Winter School in Nashville, TN. Mr. Russell advised there was a wide variety of great topics and that he met several other new directors throughout the country. Mr. Todd also gave an update on his experiences and praised Brian Singeltary who presented on safety issues.

A. Board Governance Video. The Board viewed a video that covered Peter Baxter, who is the director of insurance at NRECA. Mr. Baxter discussed the various programs which are offered and the importance of the value they add. These programs help the co-ops compete to solicit and keep employees.

B. Directors Conference - January 25-28, 2026 (Palm Springs, CA)

1. Board members attending include Chairman Spalding, Mr. Todd, and Mr. Preston.
2. Hotel: Renaissance Palm Springs

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

1. Meeting Location: Music City Center

Mr. Preston made a motion to authorize all directors to attend the conference, along with Mr. Carter. Mr. Todd made a second to the motion and the motion passed unanimously.

2. Kentucky Assigned Hotel: Hyatt House Nashville Downtown/SoBro (Cutoff: January 21, 2026)

3. W.I.R.E. Outing on March 9 during PowerXchange (*Home of the Stars* narrated bus tour)

4. Approve Voting Delegate/Alternate for 2026 PowerXchange and 2026 Regional Meeting (Previous Delegate: Mr. Todd / Alternate: Chairman Spalding) Mr. Russell made the motion for the same voting and alternate delegate for the 2026 PowerXchange and 2026 Regional Meeting. Mr. Preston made a second to the motion and the motion passed unanimously.

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, Ky). Board members attending will be Chairman Spalding, Mr. Todd, Mr. Kerrick, Mr. Preston, Mr. Russell, and Mr. Goggin.

XVI. CAPITAL CREDIT DISBURSEMENTS

For November 2025 there was \$7,354.60 in estate retirements. Mr. Goggin made a motion to approve the estate retirements as stated. Mr. Todd made a second to the motion. After discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR NOVEMBER 2025

A. Work Order #202511- \$725,237.85.

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

XVIII. APPROVE NEW MEMBERS FOR NOVEMBER 2025

A. 118 New Members

B. \$5,900.00 in membership fees were paid.

Mr. Kerrick made a motion to approve the new members in the amount of fees stated. Mr. Goggin made a second to the motion. The motion passed unanimously.

XIX. MISCELLANEOUS

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

B. Next Board Meeting – The January 2026 meeting was moved to Friday, January 30, 2026 at 8:30 a.m.

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. Russell. A second was made by Mr. Kerrick and the motion passed unanimously. The meeting adjourned at 1:59 p.m.