

Meeting Minutes Summary

February 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. PRAYER

Mr. Goggin opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick discussed the perils of walking in snow and ice. There are more than a million reported injuries each year from falls. He noted some best practices included looking for black ice, walking slowly, and keeping hands free to help break a fall.

III. ADOPTION OF AGENDA

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

IV. ACTION ON FEBRUARY 5, 2026, BOARD MEETING MINUTES

The Board reviewed the February 5, 2026, Board Meeting minutes. Mr. Russell made a motion to approve the minutes. Mr. Kerrick made a second to the motion and after discussion the motion passed unanimously.

V. ACTION ON FEBRUARY 5, 2026, SUMMARY MINUTES

February 5, 2026, summary minutes were reviewed. Mr. Kerrick made a motion to approve the summary minutes. 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. 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

January had positive operating margins of \$664,408 and the budget was for positive margins of \$44,777. The Cooperative had OTIER for January of 4.35 and TIER was 4.39. Net operating margins were \$174,208.

A comparison of the financial data from January 2025 and 2026 was discussed.

Interest comparisons were reviewed from January and February and Mr. Carter noted the 10-year interest rate was 4.03.

Form 7, Interest Income Report and Working Capital Status Report and Forecast for 2025 ended the finance report.

B. Office Services

There are 19 accounts overdue and older than October 1, 2025. The total for those overdue accounts was \$5,225.77. 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.

1. Capital Credit Recap

A spreadsheet denoted the distribution, allocation and status of the checks displayed.

C. Operations

Mr. Phelps discussed recent interviews and the job fair held at the University of Kentucky.

The plant account completed 208 work orders within January. New construction was just over \$2,287,658 and purchases were \$256,851. There were 88 poles installed and 8,455' of conductor added to the plant. There were 65 poles and 2,946' removed from the plant.

Engineering work for the month included working on new service. The bi-annual line inspections were 10% completed for Danville and 18% for Lebanon. Joint use work includes Charter has been billed \$1,577,363 through January. In January there were 812 bud calls and 54 were for the Cooperative. There were 21 new service orders created in January.

Contract crews were working on pole replacements and Company crews were working on new service orders.

Steel Rock is working on the right-of-way clearing in Lebanon. Kendall is working on the Danville Circuit coming out of the Lebanon substation. Asplundh is working on Wells Landing Circuit from the Ballard substation. The year-to-date billing is \$15,479.

Miscellaneous items and system reliability issues were reviewed.

D. Member Services

The Key Account chart was presented and year-to-date those accounts totaled \$1,337,959. Diageo still dominated the pie chart and accounted for 68% of the total costs of power for the group. Images of the Marion County Economic Development were presented and a discussion of the investment that will be made from GE appliances. Other images included the improvements being made to the Maker's Mark facilities.

A graph of high bills was presented and discussed. A comparison of 2025 and 2026 were presented. The example demonstrated just how much energy was used and at the high point that costs are approximately \$56 per day.

The heat pump loan program is still viable and there are eleven (11) current loans in existence. Only one loan is not in good standing and there were no loans in 2024. One loan was granted in 2025 to an elderly member, and it is in good standing.

1. EV Year Comparisons

Data on the various fuel types of vehicles within the service territory was displayed between 2021 and 2025. Hybrid, gas, and electric rose from 44,440 in 2021 to 101,137 in 2025.

2. Christmas Blessings

A year end summary was presented. There were 12 districts families, 41 children and 7 seniors served in 2025.

3. Annual Meeting Calendar

A designation of the respective deadline for steps leading up to the upcoming election was displayed.

4. 2026 Important Annual Meeting Dates

A list of important dates, by month, was presented. Those ran from March through August.

E. Executive

Mr. Carter discussed the construction plan spread sheet. There is only one year left in that work plan. Mr. Carter then displayed images of employee work anniversaries noting the three people listed were celebrating work service anniversaries with a total of 38 years of service.

1. Corporate Services

There were no incidents to report. The Cooperative was fortunate that during the ice storm, vehicles operating in bad road conditions did not lead to new injuries or falls. The Recordable Incident rate was 1.74 for January. The DART and Severity Rates were all 0.0. For 2026 the Recordable Incident Rate is 20.88 and DART Rate and Severity rates are both 0.0. Recordable rate is for anything other than simple first aid. Examples of recordable events are poison ivy or tick bite that require more than simple first aid. There was an incident early in the year as a result of stitches and there was also a sprained ankle. Charts relating to this data were presented. Also, a 5-year incident reporting for Kentucky and then specific to the Cooperative.

2. Information Technology and Cyber Security Report

a. Mr. Bach discussed the Assessment Summary for February 16, 2026. He discussed the issues in the report and the "Report Card" and advised it was a good report. This report includes the efforts made to look into the Cooperative's computer system, and notes the findings as provided to the Cooperative. He advised this report is from the Department of Homeland Security and does not cost any money to the Cooperative.

b. Phishing Report

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

c. NISC AI Assistant

He reported the Cooperative purchased a license for NISC AI Assistant. It discussed the reasons for AI Adoption mattered in 2026 which included Workforce Reality, Data Explosion and Customer Expectations. He noted data would not be revealed to outside AI sources and would remain only within the Cooperative. The next generation is accessing the Cooperative's own data, and the software will be imbedded into the system. A discussion of how the data will be used was also discussed and the phases which will be implemented.

VII. LEGAL/REGULATORY/POLICY

A. Policy 105– Equal Employment Opportunity, Nondiscrimination and Affirmative Action.

Mr. Todd made a motion to approve the changed provision. Mr. Kerrick made a second to the motion. After discussion, the motion passed unanimously.

B. Policy 208 – Excused Absences for Funeral

This policy was discussed and no changes were recommended.

VIII. EXECUTIVE SESSION

Mr. Kerrick moved to go into executive session and invited David Phelps and Bo McGuffey to attend. Mr. Todd made a second to the motion and the motion passed unanimously.

Mr. Kerrick moved to come out of executive session. Mr. Goggin made a second to the motion and the motion passed unanimously.

No action was taken.

IX. 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. The Dashboard showed strong results with all metrics in the 'green' category.

C. Board Policy Review

1. 413 - Financial Management
2. 413A - Equity Management
3. 420 - Member Requests for Cooperative Information
4. 421 - Attendance at Meetings or Appearance by Members or Others Before the Board of Directors
5. 431 - Capital Credit Allocation Retirement Capital Credit Allocation Retirement

These policies were all presented for review only. Mr. Kerrick made a motion to approve these policies as reviewed without changes. Mr. Goggin made a second to the motion and after discussion, the motion passed unanimously.

X. COMMITTEE REPORTS

A. Governance Committee

1. Policy 408 – Chairman Spalding discussed there was an ongoing review of this policy.

B. New Board Policy 432- Acceptable Use of Technology by Directors

Chairman Spalding reviewed the proposed policy and the governance committee reviewed and recommended the draft of the policy. Mr. Kerrick moved to approve the policy as drafted. Mr. Preston made a second to the motion and after discussion the motion passes.

XI. EKPC

Chairman Spalding discussed how the recent storm impacted EKPC. It was noted there was not a new KW demand peak notwithstanding the sustained cold and inclement weather. Gas prices were volatile through the duration of the storm. Mike Williams was recognized as retiring CEO of Bluegrass Energy Cooperative. The 2025 margins were \$39.2M and budgeted margins were just over \$20M.

XII. KEC/UUS

Mr. Todd discussed the installation of two new board members. A discussion of power availability and future access was discussed. There is continued discussion of state park infrastructure issues. There is also a push toward getting FEMA to move forward with increasing distribution of approved payments and concerns of the last storm not being designated as an event that would trigger FEMA benefits. There were discussions on data centers and location of those facilities.

The 'risk premium' was discussed. This is a sharing or shifting in the financial exposure that exists on the warehousing. Due to high sales and success of the business model that amount was actually a credit for the Cooperative for 2026.

A. LEGISLATIVE RECEPTION FEBRUARY 24, 2026

Mr. Todd advised the event was very well attended. A large percentage of the legislators were present.

XIII. NRECA

A. Board Governance Video

A video that covered Peter Baxter, who is the director of insurance at NRECA was reviewed. Mr. Baxter discussed the various programs and the importance of the value they add. These programs help the cooperatives compete to solicit and retain employees.

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

1. Meeting Location: Music City Center

All directors have been approved to attend the meeting.

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

C. Legislative Conference- April 26-29,2026 (Washington, DC)

1. Primary Hotel: Marriott Marquis, Washington, DC (Cutoff: March 27th)

XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

XV. 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.

XVI. CAPITAL CREDIT DISBURSEMENTS

For January 2026 there was \$14,456.05 in estate retirements. Mr. Todd made a motion to approve the estate retirements as stated. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR JANUARY 2026

A. Work Order #202601- \$824,328.82.

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

XVIII. APPROVE NEW MEMBERS FOR JANUARY 2026

A. 107 New Members

B. \$5,350.00 in membership fees were paid.

Mr. Russell 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 members of the Board submit their expense sheets.

B. Next Board Meeting – The March 27, 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.

C. Special Called Meeting shall be held on Thursday, March 5, 2026, at 3:00 p.m.

XX. OTHER BUSINESS

None.

XXI. ADJOURN

A motion to adjourn was made by Mr. Preston. A second was made by Mr. Goggin and the motion passed unanimously. The meeting adjourned at 1:45 p.m.