Meeting Minutes Summary

July 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 Russell

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

I. PRAYER

Chairman Spalding opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick gave a safety moment relating to the hazards of deer crossing the road. The most prevalent risk is in forested areas. The best practice is not to swerve to miss the deer for fear of hitting another car or structures off the side of the road.

III. ADOPTION OF AGENDA

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

IV. REVIEW OF JUNE 30, 2026 MINUTES

The Board reviewed the minutes of the June 30, 2026 Board Meeting. Mr. Todd made a motion to approve the minutes with the changes mentioned. Mr. Goggin made a second to the motion and the motion passed unanimously.

V. REVIEW OF JUNE 30, 2026 SUMMARY MINUTES

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

VI. 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. 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 –

June of 2026 had operating revenues $786k higher than last year. June OTIER was 8.37 and TIER was 8.38 for the month. Year-to-date OTIER was 3.46 and TIER was 3.60. Year-to-date operating revenues are $40M above budget, and expenses are $380k below budget. Year-to-date Net Margins were $2.1M above budget.

Ms. Kurtz requested approval to select either a fixed or variable rate on a proposed $4M drawdown of the RUS loan for operations. Mr. Preston made the motion for a variable rate. Mr. Russell made a second to the motion and after discussion the motion passed unanimously.

FFB rates from June to July of 2026 were mixed over the various maturity dates. Short term rates were at 3.86% and 30 years were at 4.95%.

KWH purchased in June of 2026 over 46,512,000. This is 14.80% change from May of 2026.

Payroll over-time hours were just over 668 which was significantly down from June of 2025 [793.5]. This is approximately $10,000 less in overtime in June of 2026.

Total services increased by 1.82% year-to-date.

The Form 7 Report was reviewed.

The financial report ended with a review of the interest income report. Year-to-date was just over $42,200 with the prior year-to-date being just under $56,000.

B. Office Services –

Ms. Kurtz advised there were 38 accounts that were overdue and older than March 1, 2026, totaling $15,980.77. Mr. Preston made a motion for these accounts to 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 $49,042.40.

Prepaid accounts totaled 675 and payment arrangements totaled $15,836.21.

1. June 2026 Capital Credit Recap

Revised Membership Application (REDLINE)

Ms. Kurtz presented a series of changes to the membership agreement. Mr. Todd made a motion to approve the draft with the staff's recommended changes. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

C. Operations –

Mr. Phelps was on vacation, and Mr. Carter gave an overview of the Operations materials.

The Plant account report stated there were 204 new work orders in June, with new construction totaling approximately just over $593,027. Purchases for June were $331,970 with 365 poles and 9,090’ of conductor being added to the plant. There were 338 poles and 368’ of conductor removed from the plant.

Bi-annual line inspections are 56% complete for Danville and 53% for Lebanon. In June 2,276 bud calls were made and 83 of those were for the Cooperative. There were 51 new service orders created in June.

Right of Way costs for cycle clearing and herbicide for year-to-date billing was $1,398,184. The actual clearing of ROW was well ahead of schedule through the month of June.

1. 2026 Load Forecast Resolution

Mr. Carter presented the Load Forecast Resolution for consideration. Mr. Todd made a motion to approve the resolution. Mr. Russell made a second to the motion and after discussion the motion passed unanimously.

D. Member Services –

Mr. Hitchcock discussed the Member Appreciation event in Lebanon recently. There were 475 members registered and it was noted there could have easily been over 500 but for the heavy rainstorm. There were approximately 740 bags of popcorn given out in Lebanon.

This was followed by a “pie chart” review of revenue from the Key Accounts. The chart continues to be dominated by Diageo at 66% with Makers Mark in second place with 12%. That was followed by a bar chart of the Key Account Monthly Summary where May totaled just above $1,510,818 and June was just over $1,463,000. For 2026 YTD the Key Accounts totaled just over $8,271,908.

The report ended with images of the staff working at the Lebanon member appreciation day.

E. Executive - Mr. Carter discussed the construction work plan and compared this to the amounts paid 10 years ago and now. Mr. Carter presented three employee anniversaries totaling 45 years of collective experience.

1. 6-Month Strategic Plan Review -

Mr. Carter reviewed the strategic plan, the elements of the plan and the status of each item. He noted the areas completed, those that still had work to do and then those that would be ongoing.

2. 2025 KRTA Presentation

Mr. Carter reviewed many of the slides incorporated into the Board materials. He paid special attention to many of the financial metrics and other trends. The Board asked several questions on those metrics and how the Cooperative ranked among its peer groups.

3. Corporate Services- Bo McGuffey

Mr. McGuffey advised there were no events to report. He advised that several linemen from the Cooperative were sent to help with storm damage in western Kentucky and all returned safely. The July safety meeting will be led by Charlie Lewis, and the subject will be forklift training.

4. Information Technology and Cyber Security Report

a. Cyber Hygiene Assessment

Mr. Bach advised all testing metrics, as displayed on page 6 of the report for cyber hygiene, were excellent. This included High Level Findings and Vulnerabilities. Again, there were no issues to be reported.

b. Phishing Report

There were no clicks on real or test phishing emails.

5. AI Update

Mr. Carter shared a document from KEC that addressed opposition to data center proliferation.

VIII. LEGAL/REGULATORY/POLICY

Mr. Carter presented the following policies for review:

A. Policy 109 - Employee and Temporary Personnel Classifications

B. Policy 302 - Work Rules and Sick Leave (Action on Proposed Revision]

Motion by Mr. Todd to approve Policy 109 as being reviewed with no changes and to accept the proposed revisions to Policy 302. Mr. Kerrick made a second to the 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 the calendar and requested suggestions for additional agenda items and invitations to extend for attending the board meeting.

B. Dashboard Review

Mr. Carter reviewed the dashboard and went over the metrics outlined therein, including safety, financial, operational and customer indicators. Management reported outage metrics reflected an increase in planned outages associated with the broadband pole replacement program.

C. Board Policy Review

1. 411- Authorized Check Signatories

Mr. Carter and Ms. Kurtz presented the recommendations of the staff. Those were reviewed by the Board. Mr. Preston moved to approve the proposed changes. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

2. 428 – Corporate Donations, Sponsorships, and Volunteerism

Mr. Kerrick made a motion to acknowledge the policy was reviewed without changes. Mr. Russell made a second to the policy as drafted. After review and discussion, the motion passed unanimously.

X. COMMITTEE REPORTS

A. Governance

1. Policy 408 Revisions

Chairman Spalding requested this be placed on next month's meeting Agenda.

XI. EKPC

Mr. Don Mosier came to the meeting, discussed the rate payer protection program, and noted EKPC is a signatory. EKPC was omitted from being listed, but this will be corrected soon. He also noted EKPC received a $90M grant for another project in the planned $2B buildout of new generation. He advised all of these projects are moving forward well. The issues of labor costs are favorable and demand for labor has not increased. The projects are on time and on budget. Additional work with human resources and maintaining a competitive compensation package for all employees is being reviewed. The Board spent quite a bit of time asking him questions on the various projects, the current status of operations and governance at EKPC and his overall position on the direction of the company.

A. Power Pulse Video

This was played and the video covered the RICE engine plant work in Liberty, Kentucky.

XII. KEC/UUS

Mr. Todd and Mr. Carter discussed the lineman training center in southern Ohio and a plan to visit the facility and to possibly be a format for KEC. They expect other visits to see about bringing this sort of opportunity to continue to improve safety throughout Kentucky's cooperatives.

Mr. Todd also discussed the upcoming annual meeting in Louisville. He reviewed the agenda items which were passed out to the Board before the meeting.

A. Potential Dues Increase

Mr. Todd and Mr. Carter introduced Mr. Jeremy Denny, CFO of KEC. Mr. Denny gave an update on the general status of the company, and the dues increase which had been announced some time ago. The old rate was to charge every cooperative $2.50 per meter across the cooperative territory. A bar graph from 2020 through 2025 listed the expenses to revenues for each term. The expenses have outpaced the increase in revenues significantly over that period. He advised of the dues and relative expense categories from the consolidated profit and loss statement. He discussed how the expenses were allocated between distribution and dues side of the business.

B. KEC Annual Meeting – August 10-11, 2026 (Louisville)

1. Attending Jerry- Joe- Jason- Kevin – Lou
2. Delegate: Joe / Alternate Kevin

XIII. NRECA

A. Board Governance – not presented.

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

1. Hotel: Rosen Shingle Creek Orlando (Cutoff: September 11th)
2. Confirm Delegate: Jason Todd / Alternate: Chairman Spalding (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 for this meeting. Mr. Goggin 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

No report.

XVI. CAPITAL CREDIT DISBURSEMENTS

For June 2026 there was $20,093.55 paid to estates. Mr. Todd made a motion to approve the retirements as stated. Mr. Kerrick made a second to the motion and after discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR JUNE 2026

A. Work Order #202606 - $292,727.42.

Mr. Goggin made a motion to approve the work order as stated. Mr. Kerrick made a second to the motion and after discussion the motion passed unanimously.

XVIII. APPROVE NEW MEMBERS FOR JUNE 2026

A. 161 New Members

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

Mr. Kerrick made a motion to approve the new members as presented. Mr. Goggin made a second to the motion and after discussion the motion passed unanimously.

XIX. MISCELLANEOUS

Chairman Spalding requested the Board submit their expense sheets by providing those to Farrah Coleman. Chairman Spalding reminded the next regular board meeting is scheduled for Tuesday, August 25 and that the September meeting will be held Tuesday September 29.

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. Goggin. A second was made by Mr. Todd and the motion passed unanimously. The meeting adjourned at 2:49 p.m.