

Meeting Minutes Summary

June 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 Wayne Russell – (virtual)

Also present and participating were President and CEO Jerry Carter and Attorney J. Hadden Dean as attorney for the Cooperative.

I. PRAYER

Mr. Todd opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick gave a safety moment, and stated July 4th holiday is the most dangerous time to drive during the year and referred to an article regarding several considerations for safe driving.

III. 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.

IV. REVIEW OF MAY 22, 2026 MINUTES

The Board reviewed the May 22, 2026, Board Meeting minutes. Mr. Todd made a motion to approve the minutes. Mr. Russell made a second to the motion and the motion passed unanimously.

V. REVIEW OF MAY 22, 2026 SUMMARY MINUTES

The May 2026 summary minutes were reviewed. Mr. Preston made a motion to approve the summary minutes of the May 2026 Board meeting. Mr. Kerrick 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. 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

May of 2026 had operating revenues \$893k higher than last year. OTIER was 5.39 and TIER was 5.47 for the month. YTD OTIER was 2.46 and TIER was 2.62. YTD operating revenues are \$3.11 million above budget, and expenses are \$127,635 below budget. Net Margins were \$835,805 above budget.

A review of the quarterly interest rates was compared between May and June and it was noted they were slightly up over most maturity dates. However, the 20- and 30-year terms were slightly down.

KWH purchased for May of 2026 were over 40,516,000.

The finance report ended with review of the Form 7 report.

Mr. Kerrick moved to keep note RET9-6 variable for the next three months. Mr. Todd made a second to the motion and the motion passed unanimously.

There was a display of the working capital and Mr. Carter predicted a draw down may happen in the next few months.

1. USDA – RUS Audit Report

Mr. Carter advised of the audit report which came back with no material findings. There were some recommendations that were made and are being reviewed.

2. Resolution Requesting a One-Year Extension of the Advanced Period on BE47 Loan

Mr. Carter presented the resolution and why the extension would benefit the cooperative. Mr. Todd moved to approve the resolution presented. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

B. Office Services

Mr. Carter advised that there were 28 accounts overdue and older than February 1, 2026, and that total was \$6,241.73. Mr. Goggin made a motion that these accounts be assigned to bad debt and sent to collections pursuant to the PSC regulations.

Mr. Russell made a second to the motion and the motion passed unanimously. The YTD total of accounts written off was \$33,061.63.

Prepaid accounts totaled 654 and payment arrangements totaled \$16,926.82.

Mr. Carter reviewed the Credit Reporting and noted that there were 139 accounts and the cost was \$466.44. He noted that 54/98 were in the green category.

1. May 2026 Capital Credit Recap

Mr. Carter presented the data to the Board.

C. Operations

Mr. Phelps advised that the Charter pole replacements are complete. Mr. Carter reported on the successful completion of the Charter Pole Replacement Project and recognized Operations staff and others for coordinating and executing the project. The coordination of the outside contract crews was managed well. There were no safety issues with any cooperative crews. This is a testament to the training and education of those involved.

There will be two (2) job postings, one due to prospective employee retirement and extended leave. Another employee [lineman] left and that position will be posted shortly. He advised that Grissan had requested temporary power service be supplied to the facility. It was noted that there was still an outstanding sum of \$70,000 that had not been paid for the relocation of the power line.

The Plant account report stated that there were 168 new work orders in May, with new construction totaling approximately just over \$173,565. Purchases for May were \$653,346 and 424 poles and 9,663' of conductor were added to the plant. Removed from the plant were 402 poles and 1,213' of conductor.

Bi-annual line inspections are 48% complete. In May 2,387 bud calls were made and 104 were Inter-County's. There were 51 new service orders created in May.

Joint Use balances were displayed. The total amount owed through May was \$847,439.

Right of Way costs for cycle clearing and herbicide for YTD billing was \$1,067,397.

He ended his report with system reliability and there were 135 outages that were not planned and 308 due to pole replacements. There were no major event days in May.

D. Member Services

Mr. Hitchcock gave credit for a member who participates in a positive way in 'likes' on social media. A bucket of items was delivered to her and a post on the Cooperative's FB page was made acknowledging the appreciation of the member.

He advised of a Casey County Chamber Luncheon and those present. There were questions on the RICE engine project and the vast majority of the comments were positive.

Images of those participating in the 2026 Washington Youth Tour were presented.

An update of the global EV Charging Infrastructure Value included a projection of \$50 to \$200 billion.

An update on the employee training to be a drone pilot was discussed. Images of an employee piloting the drone were included with the Board materials.

A bar chart of the Key accounts was displayed, and it reflected that there was just over \$1,514,333 in revenue for May.

This was followed by a “pie chart” for revenue from the Key Accounts. The chart continues to be dominated by Diageo at 65% with Makers Mark in second place with 12%.

A representation of the one- and two-bedroom layout at the Willows in Mercer County was presented.

1. Annual Meeting

- a. Approve Annual Meeting Agenda

Mr. Todd made a motion to approve the agenda of the annual meeting. Mr. Kerrick made a second to the motion. The motion passed unanimously.

- b. Select Parliamentarian for Annual Meeting

Mr. Preston made a motion to select Mr. Dean as the parliamentarian for the Annual Meeting. Mr. Russell made a second to the motion. The motion passed unanimously.

- c. Member Speakers at Annual Meeting

Mr. Carter advised the membership may speak at the annual meeting.

- E. Executive

Mr. Carter displayed images of various Board and employee work anniversaries. He noted that David Phelps has been with the co-op for 26 years and Brian Blanford for 24 years. A summary of ongoing construction projects throughout the service territory was discussed and the spreadsheet identifying the data was presented.

1. Inclining Block Tariff

Mr. Carter presented the proposed Inclining Block Tariff, explained its purpose, and anticipated effect on the Cooperative's pending rate case. He displayed and discussed the changes to the rate structure. Motion by Mr. Goggin to approve the tariff. Mr. Preston made a second to the motion and after discussion the motion passed.

2. 2025 PSC Regulated Utilities Reliability Rankings

Mr. Carter displayed the report and Inter-County ranked favorably among similarly situated Kentucky cooperatives. The primary drivers of these results were the maintenance program, vegetation management plan, work plan and attention to pole inspections and attachments.

3. Corporate Services-

Mr. McGuffey advised there were no incidents to report. The May recordable incident rate, DART rate and Severity rate were all 0.00. The 2026 recordable incident rate was 4.03 and both DART and Severity rates were 0.00.

The Safety Meeting for June covered the use of AED devices. East Kentucky Power conducted their yearly Lock-Out Tag- Out training.

Mr. McGuffey gave an update on his MIP program and the two weeks of training. He discussed the scope of the training and some of the guest speakers.

4. Information Technology and Cyber Security Report

a. Cyber Hygiene Assessment

Mr. Bach advised that all testing metrics were excellent, as displayed on page 6 of the report on cyber hygiene. This included High Level Findings and Vulnerabilities.

b. Phishing Report

Mr. Bach presented the CISA data that included all favorable metrics as listed above, but there continues to be a need for additional consideration of the sources of email and to refrain from 'clicking' on email that is not from a known source or outside the Cooperative's email server.

c. The Forwarded Click

There was a 'click' to a phishing email. He advised the training that will follow this 'click.'

VIII. LEGAL/REGULATORY/POLICY

Mr. Carter presented the following policies for review:

- A. Policy 207- Sick Leave (Action on Proposed Revision]
- B. Policy 209 Annual Leave (Review)
- C. Policy 211- Military Leave (Review)

Mr. Kerrick moved to approve the proposed revisions to Policy 207 and acknowledge that Policies 209 and 211 were reviewed without changes. Mr. Goggin made a second to the motion. After discussion, the motion passed.

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 and additional thoughts on agenda items and invitations to extend for attending the Board meeting. Mr. Carter advised the Board of planned employee recognition payments associated with the successful completion of the Charter Pole Project. A request was made to get a general update on the status of EV's in the state of Ky.

B. Dashboard Review

Mr. Carter reviewed the dashboard and went over the metrics outlined therein, including safety, financial, operational and customer indicators. He noted that TIER, OTIER, and Equity metrics all fell within the target 'green area' of the chart. He noted that there were over 28,700 active meters.

C. Board Policy Review

1. 411- Authorized Check Signatories

Mr. Carter asked to table this motion until the next meeting. He met with Federated and will be revising other policies and including those in this policy.

2. 412 – Corporate Donations, Sponsorships, and Volunteerism

The Board reviewed this policy and discussed the same and no changes were mentioned or requested. Mr. Russell made a motion to acknowledge the policy was reviewed without changes and Mr. Goggin 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.

XI. EKPC

Chairman Spalding discussed the elections and new leadership on the EKPC Board. There was a discussion concerning price issues and upcoming demand due to extraordinary heat throughout Kentucky. Margins were all above budget and the new rates have been implemented.

XII. KEC/UUS

Mr. Todd advised due to some changes of membership he is back on the governance and executive committee. CFC made a presentation of an education fund check for over \$21,000. This is to be used for education for the group. There is continued interest in KEC placing a training facility in Danville. The timeframe could be as long as 7 years. He advised that an audit was performed and there were no problems or material findings.

The Board discussed ongoing legislative, regulatory, planning, and infrastructure issues associated with potential data center development within and adjacent to the Cooperative's service territory. The Board discussed ongoing legislative, regulatory, and land use matters affecting the Cooperative's service territory. Mr. Carter also gave an update on how local communities are addressing planning and zoning issues regarding data centers.

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

1. Attending: Jerry Carter, Chairman Spalding, Jason Todd, Kevin Preston, and Lous Kerrick.
2. Delegate: Chairman Spalding and Kevin Preston as the alternate.

B. UUS Annual Meeting

1. Appointment of Delegate and Alternate

Mr. Kerrick made motion to appoint Mr. Carter as delegate and Mr. Todd as the alternate delegate. The motion passed unanimously.

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 11)

XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

Mr. Carter discussed the meeting with Federated's agents. Some updates were to be put in place regarding leasing of trucks and business locations if there is a partial or total loss. Additional changes will be implemented to improve processes for transfer of funds and the requirement of getting more than one signature.

XV. RUS-CFC-COBANK NEWS/UPDATES

No report.

XVI. CAPITAL CREDIT DISBURSEMENTS

For May 2026 there was \$19,435.19 Mr. Kerrick 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 MAY 2026

A. Work Order #202605 - \$626,037.69.

Mr. Goggin 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 MAY 2026

A. 149 New Members

B. \$7,450.00 in membership fees were paid.

Mr. Russell made a motion to approve the new members in the amount of fees stated, which was seconded by Mr. Goggin. 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 Friday, July 24, 2026, at 8:30 a.m. which is also the Annual Meeting Date. Discussion ensued of the need to change the dates of August and September regular monthly Board meetings. After a review of their respective calendars, Mr. Kerrick made a motion to change the August Board Meeting to Tuesday August 25 at 8:30 a.m. and the September Board Meeting to Tuesday September 29 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. Russell and the motion passed unanimously. The meeting adjourned at 1:58 p.m.