

## Meeting Minutes Summary

March 2024

Chairman of the Board, Joseph H. Spalding, called the meeting to order.

After roll call, it was noted that the following directors were present either in person or via video/phone conference, to-wit:

Joseph H. Spalding	J. Kevin Preston
Lou Kerrick	Bill Peyton
Jason E. Todd	Allen Goggin

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

### I. PRAYER

Mr. Dean opened the meeting with prayer.

### II. SAFETY MOMENT

Mr. Kerrick gave a safety moment on the perils of driving in winter road conditions and gave tips on keeping safe at this time of the year.

### III. ADOPTION OF AGENDA

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

### IV. REVIEW OF FEBRUARY 23, 2024 MINUTES

The Board reviewed the minutes of the February 23<sup>rd</sup>, 2024, board meeting. Mr. Preston made a motion to approve the minutes. Mr. Todd made a second to the motion and the motion passed unanimously.

### V. REVIEW OF FEBRUARY 23, 2024 SUMMARY MINUTES

The February 2024 summary minutes were reviewed. Mr. Peyton made a motion to approve the summary minutes of the February 2024 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 March 22,

2024, 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 – February ended with negative margins of \$643,814 and some issues that drove those negative margins surrounded the requirement of booking unbilled revenue. February operating revenues were almost \$500,000 under budget and that also contributed to the negative margins. February 2024 OTIER was negative 2.86 and TIER was negative 3.05.

Total services in place increased by 1.25% and the miles of line increased by 1.27%.

A review of the quarterly interest rates, compared between February to March of 2024, were slightly up over every maturity time frame. It is not clear what the Federal Reserve will do with interest rates at its next meeting.

Ms. Kurtz presented data on returns on investments of the Cooperative in commercial paper and select notes as of March 19, 2024.

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

B. Office Services –Ms. Kurtz advised that 14 accounts were overdue and older than November 1, 2023, and that total was \$6,556. Mr. Goggin made a motion for these accounts to be assigned to bad debt and sent to collections pursuant to the PSC regulations. Mr. Peyton a second to the motion and the motion passed unanimously.

There were 604 accounts on prepay. The total of \$25,105.94 is under repayment agreements with members who could not pay the debt and the outstanding bill was not sent to collection.

A bar chart illustrating the various payment channels the Cooperative uses to accept payment for members billing was presented and discussed.

The vast majority of payments are made using OBI Checks [\$1.45 million] followed by EFT payments [\$1.4 million].

Ms. Kurtz advised the staff that Taylor County RECC employees visited the office to observe and receive training on the system/software currently used by the Cooperative. Taylor County will be transitioning to the same software in the next few months. The Taylor County staff were very appreciative of the assistance.

C. Operations – Mr. Phelps was at the PSC for an informal meeting and Mr. Carter presented his report.

Charter has been billed \$3.2 million and the Cooperative has been paid approximately \$2.14 million on the pole change out process.

A graph of the SADI was presented. The target for the year is 100 minutes of outage.

D. Member Services – A pie chart for the Key Accounts was displayed. The chart continues to be dominated by Diageo [76% of the total]. Makers Mark followed with 9% of the total. Images of charging stations at Circle K in Rockhill, North Carolina were displayed. Images of construction sites in Marion County were displayed [new Kentucky Farm Bureau and Pernod Ricard].

A chart of 2024 sponsorships was presented along with Facebook analytics. The Cooperative has over 9,200 followers.

1. Annual Meeting/Member Appreciation Day

A discussion on where to have the appreciation day was held. Additional discussions on what member gift would be presented. The annual meeting date has been set for Danville on Friday, July 26, 2024 at 2:00 p.m. and Marion County on the Friday before.

E. Executive – Mr. Carter discussed new growth in the service territory and referenced the construction plan spread sheet. Mr. Carter displayed images of various board and employee work anniversaries noting that nine (9) employees were celebrating work service anniversaries with a total of 119 years of service.

1. Corporate Services - Mr. McGuffey discussed an incident with property damage done to a member's vehicle. Mr. Carter also commented on the incident.

a. Safety Meetings – Mr. McGuffey gave his report on the issues being looked at and those staff members involved.

2. Information Technology and Cyber Security Report - Mr. Bach discussed phishing issues with continued 'clicks' on test emails. He noted that based on the 'scale' the Cooperative's staff are now in the 'yellow' category. He displayed an "ATT" email as there was an incident on a 'click' and data entry regarding the phishing efforts. He also listed emails of board members and noted their emails have been associated with a known breach.

3. Strategic Planning - Mr. Carter presented images of the objectives, initiatives, action items, person(s) involved and comments.

## **VIII. LEGAL/REGULATORY/POLICY**

Mr. Carter presented policies 105, 111 and 206 which were up for review. No changes were recommended. Mr. Kerrick made a motion to reflect that the policies referenced above were reviewed by the Board, with no changes. Mr. Preston 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 of upcoming months. He invited the board to review and requested suggestions on additional thoughts on 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. He noted that TIER, OTIER were in the 'red' category due to the negative margins in February. The equity metrics all fell within the target 'green area' of the chart.

**C. Proposed Dashboard Benchmarks**

Mr. Carter displayed changes to the dashboard benchmarks. He explained how the metrics and the data may be misleading. An example of a recordable incident is when a lineman gets a bad case of poison ivy. If given a prescription, then that would be a recordable incident and makes the rate go up. All of the new benchmarks were reviewed and discussed.

**D. Discussion on CEO Performance Appraisal Form**

Chairman Spalding asked the board to review the draft provided and be ready to discuss and make any other changes to the form at the next meeting.

**E. Board Policy Review**

Policies 406, 423, 424 and 425 were presented and reviewed by the board. A motion was made by Mr. Todd and second by Mr. Goggin to accept the above policies as reviewed without changes.

**X. COMMITTEE REPORTS**

None

**XI. EKPC**

Chairman Spalding and Mr. Carter gave an update on the EKPC Board meeting held last month. Margins were approximately \$17.2 million which was approximately \$300,000 under budget. Compared to 2023, the January 2024 margins were \$8.5 million higher. A discussion was had on the net metering legislation and how that will apply to the membership. The proposed rate will be that of the LMP rate paid by EKPC to PJM.

Mr. Carter solicited a nomination to serve on the EKPC Board of Directors. Mr. Preston nominated Chairman Spalding to serve for the next term. Mr. Todd made a second to that nomination. After discussion, the motion passed unanimously.

## **XII. KEC/UUS**

Mr. Todd, Chairman of KEC, gave update and noted there has been no meeting since the last meeting in February due to the monthly meeting got moved. Mr. Carter gave an update on legislative matters pending and problems with Kentucky Power.

## **XIII. NRECA**

A. Board Governance Video – PowerPulse Spring 2024 edition video from EKPC was played.

B. Directors Conference is set to be conducted in Nashville, TN April 6-9, 2024. Online options for portions of the conference are available to directors. Mr. Carter listed those available through virtual means. Mr. Goggin made a motion to approve the costs for the online training, per diem for attending and that all directors may participate as they desire. Mr. Todd made a second to the motion. After discussion, the motion passed unanimously.

## **XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE**

No report given regarding Federated. Mr. Carter and Mr. Dean gave an update on the pending litigation matter.

## **XV. RUS-CFC-COBANK NEWS/UPDATES**

A. CFC Forum is set to be conducted on June 17-19, 2024 in Indianapolis, Indiana. The cutoff date is May 20, 2024 for reserving accommodations. Chairman Spalding will be in attendance for EKPC.

B. CoBank Energy Directors Conference is set to be conducted in Boston, MA July 17-19, 2024.

## **XVI. CAPITAL CREDIT DISBURSEMENTS**

For February 2024 there was \$10,097.29 in estate retirements. Mr. Peyton made a motion to approve the retirements as stated. Mr. Kerrick made a second to the motion. After discussion, the motion passed unanimously. Total capital credit payouts to estates from 1937 to present total \$7,167,813 and the overall total capital credit retirements as of February, 2024 is \$14,554,230.

## **XVII. WORK ORDERS FOR FEBRUARY**

A. Work Order #202402- \$652,667.84.

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

**XVIII. APPROVE NEW MEMBERS FOR FEBRUARY 2024**

A. 139 New Members

B. \$6,950.00 in membership fees were paid.

Mr. Peyton 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, April 26<sup>th</sup>, 2024, at 8:30 a.m. and due to conflicts with that month's meeting and the conflicts for the June meeting date, Mr. Preston made a motion to change the April regular meeting date to May 1, 2024, at 8:30 a.m. and the June meeting date to June 25, 2024 at 8:30 a.m. Mr. Goggin 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**