

Meeting Minutes Summary

January 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

Chairman Spalding opened the meeting with prayer.

II. SAFETY MOMENT

Mr. Kerrick gave a safety moment on the perils of driving at night. He noted that as drivers reach 50 years of age studies show that their ability to see in low light conditions is reduced.

III. ADOPTION OF AGENDA

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

IV. REVIEW OF DECEMBER 28th, 2023 MINUTES

The Board reviewed the minutes of the December 28th, 2023, Board Meeting. Mr. Kerrick made a motion to approve the minutes. Mr. Todd made a second to the motion and the motion passed unanimously.

V. REVIEW OF DECEMBER 28TH, 2023 SUMMARY MINUTES

The December 2023 summary minutes were reviewed. Mr. Goggin made a motion to approve the summary minutes of the December 2023 board meeting. Mr. Preston 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 January 26, 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 – December operating revenues were down \$1.3 million from last year. The budget for December 2023 margins was \$1.3 million and actual margins were \$1.6 million. December 2023 OTIER was 3.72 and TIER was 6.80. Year to date margins were \$3.2 million and the budget was \$2 million. G & T capital credit allocation was estimated at just over \$911,000. OTIER for December 2023 was 3.72 and TIER was 6.80. The year-to-date OTIER was 2.08 and TIER was 2.69.

An analysis of the purchase power costs was reviewed by the Board. The total services in place increased YTD by 1.13% and the miles of line increased by .93%.

A review of the quarterly interest rates was compared between December of 2023 and January of 2024. Rates over the respective maturities were mostly up across those listed.

B. Office Services – Alyssa Kurtz has been tasked to work in this department after the retirement of Ms. Stocker. Ms. Kurtz advised that 33 accounts were overdue and older than September 1, 2023 and that total was \$7,502.47. Mr. Goggin made a motion that these accounts 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.

A bar chart illustrating the various payment channels that the Cooperative uses to accept payment for members billing was presented and discussed. The vast majority of bills are paid using EFT followed by payments made by cash or check.

C. Operations – Mr. Phelps presented the details included in the board material. Activity and the plant account work included 329 new work orders in December, with new construction totaling just over \$1,378,000. There were purchases of \$246,777 along with 165 poles and 40,002 feet of conductor added to the plant. The report noted that staking was underway for 38 new line extensions. A new subdivision near the existing Hall's Gap Estates was announced and drawings for the planned development are coming soon. There was also a new subdivision announced in Lancaster. Field Inventory work was discussed, and the bi-annual line inspections have begun using the forms in the NISC system. This should improve reporting and tracking of daily inspections.

Charter Cable was billed just under \$2,104,000 for joint use "make ready" and payment of \$1,642,520 has been received. To date, 328 work orders have been created and 247

have been completed. Mr. Phelps advised that two to three crews were dedicated to pole change outs and that each crew averaged about 1.75-1.80 poles per day.

An update was given on the construction work being conducted throughout the Cooperative between the Cooperative crews and contract crews.

The right-of-way clearing for the 2024 cycle and spraying work is complete.

Right of Way costs were \$223,787 higher than projected. The original budget for costs per mile was \$3,947 and the actual costs ended up at \$4,662 per mile.

D. Member Services – Mr. Hitchcock was out of the office due to jury duty. Mr. Carter presented his report and displayed the charts and images from the BoardPaq materials.

The total for all 2023 Key Account members was just over \$20,097,000 compared to approximately \$17,498,000 for 2022. The majority of that change is attributable to Diageo.

The report ended with a display of EV's to be considered for use by the military and NASA and an update on how EV's performed in freezing weather. It is noted that issues could have been avoided if the user had read operation manuals that addressed best practices for using EV's in cold weather.

Mr. Carter also advised that a pilot program for off-peak charging has been approved.

1. 2024 Annual Meeting Date Discussion

Mr. Carter solicited a discussion of when and how the Annual Meeting will be conducted in 2024. The Board discussed the options for the format of the Annual Meeting, costs, and methods of getting messaging and information to the membership. Mr. Todd made a motion to set the Annual Meeting for Friday, July 26th, 2024, at 2 p.m. EDT. Mr. Preston made a second to the motion and after discussion on the format, date, and time, the motion passed unanimously.

E. Executive - Mr. Carter displayed images of various Board and employee work anniversaries noting Danny Collier recently celebrated his 35th year with the Cooperative and that Mr. Dean had been serving the Cooperative for 14 years. A summary of ongoing construction projects throughout the service territory was discussed and the spread sheet identifying the data was presented.

1. Corporate Services- Mr. McGuffey discussed a near miss and an incident that occurred in December. The incident involved an ankle sprain with no work missed. The employee was seen at the ER and no fractures were found. He also discussed the issue with a back feed of a small generator. The back feeding of the generator was discovered with the use of voltage detector. PPE kept the employee safe. An outline of various crew visits was listed and

discussed. He noted that there were no recordable incidents, DART rate was 0.0 and the Severity Rate was likewise 0.00.

2. Information Technology and Cyber Security Report - Mr. Bach reviewed the Phishing Dashboard data and noted the report looked good, with no clicks. He added that there is always room for improvement, and he continues to work with the employees to improve all areas of cybersecurity. The Risk Score chart continued to be flat with only a slight increase in the late fall months.

He also discussed the warnings on the threats that cyber-attacks pose and some of the data and magnitude this problem continues to be on small and large businesses and institutions.

3. 2024 PAC Renewal (Formerly ACRE) – Mr. Carter presented the renewal form to the Board for the upcoming year.

VIII. LEGAL/REGULATORY/POLICY

Mr. Carter presented policies 214, 219, 309, 310 and 317 for review. No changes were recommended except for Policy 317. Mr. Todd made a motion to reflect that the Board did review policies 214, 219, 309, and 310 with no changes suggested, and to approve the recommended changes to Policy 317. Mr. Preston seconded 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, and Equity metrics all well within the target 'green area' of the chart.

C. Review CEO Evaluation Form

The Board reviewed each of the two respective CEO evaluation forms and were to consolidate any of their changes into one of the respective forms. Those changes will be reviewed so that the next CEO evaluation will consist of a combination of each of the two forms used by the Board over the last few years.

D. Board Policy Review

The Board reviewed policy 402 and was asked to come back at the next meeting to give an update on how they wish to address the language contained in paragraph 9(b). The Board also reviewed policies 403, 409 and 410. Mr. Goggin made a motion to state that each of these policies was reviewed by the Board and no changes were proposed. Mr. Todd made a second to that motion and the motion passed unanimously.

X. COMMITTEE REPORTS

A. Review Governance Committee Chair

Chairman Spalding presented policy 405 relating to the Governance Committee Charter. The Board reviewed that policy, along with the attachments. Mr. Kerrick made a motion to acknowledge the policy was reviewed with no changes. Mr. Peyton made a second to the motion and the motion passed unanimously.

XI. EKPC

Chairman Spalding and Mr. Carter gave an update on the EKPC Board meeting held last month. A discussion was had on the generation system record set in December for the most generation in the history of EKPC. All generation capacity was called upon to operate and the system worked flawlessly. David Crews is set to retire soon and the process of selecting a successor will soon be underway.

Chairman Spalding and Mr. Carter gave an update on the training provided by EKPC and discussed issues including AI and other presentations.

XII. KEC/UUS

Mr. Todd advised the Legislative Reception is set to happen at The Foundry in Frankfort on February 21, 2024. Mr. Todd discussed the upcoming event and asked the Board to consider attending. The KEC board meeting is set to be conducted starting at 1 pm at the Kentucky Chamber of Commerce Office.

XIII. NRECA

A. Board Governance

Participants in the video discussed fiduciary duties.

B. Directors Conference is set to be conducted in Nashville, TN from April 6-9, 2024. The cut off for hotel accommodations is March 22, 2024.

C. The Legislative Conference is set to be conducted in Washington, D.C. from April 21-24, 2024.

XIV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

XV. RUS-CFC-COBANK NEWS/UPDATES

No Report.

XVI. CAPITAL CREDIT DISBURSEMENTS

For December 2023 there was \$4,918.56 in estate retirements. Mr. Todd made a motion to approve the retirements as stated. Mr. Peyton made a second to the motion. After discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR DECEMBER

A. Work Order #202312 - \$933,966.19.

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 DECEMBER 2023

A. 103 New Members

B. \$5,150.00 in membership fees were paid.

Mr. Kerrick 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, February 23, 2024, at 8:30 a.m.

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

Chairman Spalding discussed two-factor authentication and how it may improve the security for gaining access to BoardPaq. Mr. Bach recommended this step due to the materials and data contained in BoardPaq and advised it will significantly improve security of that data. Mr. Preston made a motion that two factor authentication be installed as a security measure when accessing BoardPaq. A second was made by Mr. Kerrick. After discussion, the motion was unanimously approved.

XXI. ADJOURN