

Meeting Minutes Summary

July 2025

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. CALL TO ORDER

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.

II. PRAYER

Mr. Carter opened the meeting with prayer.

III. SAFETY MOMENT

Mr. Carter presented a video from a dash camera which was installed in a truck owned by the Cooperative. The video depicted a driver running a red light and coming perilously close to causing a major accident. Mr. Carter reiterated the importance of being mindful of surroundings when approaching an intersection. Serious injuries and possible death can be the result of carelessness or lack of awareness of traffic control devices and conditions.

IV. 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.

V. ACTION ON JUNE 23, 2025 BOARD MEETING MINUTES

The Board reviewed the June 23, 2025, Board Meeting minutes. Mr. Todd made a motion to approve the minutes with one spelling correction. Mr. Preston made a second to the motion and after discussion, the motion passed unanimously.

VI. ACTION ON JUNE 23, 2025 SUMMARY MINUTES

The June 23, 2025 summary minutes were reviewed. Mr. Goggin made a motion to approve the summary minutes with the same spelling correction. Mr. Russell made a second to the motion and the motion passed unanimously.

VII. 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 commentaries, 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

Ms. Kurtz advised margins were significantly up. This included approximately \$1,000,000 from unbilled revenue. The Cooperative had positive margins of \$1,239,281. OTIER for June was 6.93 and TIER was 7.10. The year-to-date operating revenues are over \$37.8M, which is approximately \$3.6M over budget. The year-to-date budget for net margins was \$145,631 and currently net margins are \$1,323,362. Year-to-date OTIER is 2.11 and TIER is 2.15.

Borrowing rates for approximate quarterly interest rates between June and July of 2025 were reviewed. The rates trended lower over each term listed.

Interest Income Report was reviewed along with cash flow and available cash.

B. Office Services

Ms. Kurtz advised 32 accounts were overdue and older than March 1, 2025. The total for those overdue accounts was \$13,808.96. Mr. Kerrick made a motion that these accounts be assigned to bad debt and sent to collections pursuant to the PSC regulations. Mr. Goggin made a second to the motion and the motion passed unanimously. There were 156 overdue accounts year-to-date, with a cumulative sum owed of approximately \$46,711.49.

Currently there are 633 members with prepaid accounts.

A summary of the Online Utility Exchange was presented and showed collections of \$1,695.32 from online and transactions at the Cooperative of \$423.81.

C. Operations

Mr. Phelps advised the plant account completed 2154 work orders in June. New construction was just over \$3,239,615 and purchases were \$2,191,008. There were 173 poles

installed, and 25,835' of conductor added to the plant. There were 130 poles and 7,472' of conductor removed from the plant.

Engineering work for the month included working on new service and the Archaea RNG project. Bi-annual line inspections are at 59% for Danville and 67% for Lebanon. The Charter joint use project has been billed \$6,837,000 for make ready and of that \$5,458,000 has been paid. To date, there have been 1,138 work orders created and 844 of those completed.

Contract crews worked on Alcan pole replacements, new services, and correction clearance issues. There was a conductor change at the Highland-Green River Circuit. There are four crews from Elliott currently working within the service territory. One of those is completing work plan items and the others are working on Charter and Alcan pole replacements.

Right of way clearing is behind based on the projections for the year. The year-to-date billings are \$673,262 for cycle clearing of 159.81 miles, \$92,553 for maintenance and \$22,240 for work orders. Total year-to-date costs were \$765,815, not including work orders.

The AMI project has been progressing and at the time the report was created, there were approximately 1,000 meters remaining to be changed.

Mr. Phelps ended with a review of several items listed in the miscellaneous section of his report. Notably, Archaea Renewable Natural Gas had broken ground at the Tri-K landfill in Lincoln County, work is ongoing around the new Mett's Drive substation in Lebanon and construction of the Morris packaging building is underway. Pernod Ricard will be energizing the boilers sometime in late July or early August. The Grissan facility is completing grading work and expects to be pouring concrete in three months.

D. Member Services

Mr. Hitchcock discussed the 2025 ACSI survey mailed out on June 16th. Mr. Hitchcock advised that 270 surveys were mailed out and only 11% were returned. The result for the Cooperative was 86. The three-year average was 83.

The Key Account chart was presented and year-to-date these accounts total \$8,138,624. Diageo still dominated the pie chart and accounted for 66% of the total costs of power for this group. The Key Account Monthly Summary Comparison reflected that total revenue for June of 2025 was just under \$1,347,683.

Images of the 2025 Honor Flight candidates were displayed. Those included Freddie Turner from Boyle County and Thomas Bullock from Garrard County. An image of a Waymo Self-Driving car was displayed. These are being used in several cities including Los Angeles, Phoenix,

San Francisco, Atlanta, Austin, Miami, and DC. He also displayed a 3-D Printed House from the Somerset Community College. The cost estimates to build were from \$60-80 per square foot.

E. Executive

Mr. Carter discussed the construction plan spread sheet noting one year is left in the plan. This is a \$30M plan which has approximately \$17M left to draw down. He advised Mr. Phelps is working on the next plan. Mr. Carter then displayed images of employee work anniversaries noting the four people listed were celebrating work service anniversaries with a total of 46 years of service.

1. Corporate Services – Mr. McGuffey discussed the items in his report. He advised there were no incidents in June. The Recordable Incident, DART, and Severity Rates were all 0.0. For 2025, the Recordable Incident Rate is 3.15 and DART and Severity rates are both 0.0. The June Safety Meeting covered Lock-Out Tag-Out procedures and Substation Restoration was reviewed. The July Safety meeting will be presented by Charlie Lewis with KEC and the topic will cover Spill Containment and Spill Response.

2. Information Technology and Cyber Security Report - Mr. Bach discussed the charts in his report. The software has been replaced, and the new charts display data based on a six-month rolling term. The recent history of “clicking” has significantly improved, but due to the manner in which the charts are displayed, including six prior months, the “Risk Score” is at 47.2. Mr. Bach pointed out the industry average for phone phishing was 3.1%. Comparatively, the Cooperative’s average was only .8%.

VIII. LEGAL/REGULATORY

A. Policy 210 – Leaves of Absence Without Pay (FLMA) Employee Training and Development (Review)

Mr. Kerrick made a motion to point out that this policy has been reviewed with no changes. Mr. Goggin made a second to the motion and after discussion the motion passed unanimously.

B. Policy 323 – Whistleblower (Review)

Mr. Kerrick made a motion to point out that this policy has been reviewed with no changes. Mr. Russell made a second to the motion and after discussion the motion passed unanimously.

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 Review

Mr. Carter discussed all factors that impacted margins for the month and year to date. He noted TIER and OTIER continue in the 'green' section of the chart. Equity continues to be stable and may soon be in a condition to consider a retirement of capital credits.

C. Board Policy Review

1. Policy 418 – Economic Development Loan Program
2. Policy 429 – EKPC and KAEC Directors
3. Policy 430 – Distributed Resources Interconnection

The Board reviewed Policies 418, 429 and 430 without changes. Mr. Kerrick made a motion to approve these policies without changes. Mr. Preston made a second to the motion and the motion passed unanimously.

X. COMMITTEE REPORTS

No report.

XI. EKPC

Chairman Spalding discussed issues from the June board meeting. The Board held a strategic meeting and discussed multiple issues. There was a unanimous vote to construct a combined cycle unit at Cooper [745 MW which is expected to be a \$1.3B cost]. Next, a vote was made to convert to use both coal and natural gas fuel of \$261M [Four units at Spurlock and one at Cooper]. The motion passed. Construction of 214 MW generation facility featuring 12 RICE engines in Casey County came in at an estimated cost of \$500M. The schedule is to begin commercial operation in December 2028. There is a 20-year contract with a pipeline company to construct two 40-mile pipelines to the generation sites. The costs will be paid on a monthly basis to the owner of the pipeline. It is estimated the total costs for projects approved are \$2.7B.

Margins were \$4.3M over budget. There was a motion to get in the queue to purchase a CT unit, with approval, and it can be stored if needed.

XII. KEC/UUS

Mr. Todd gave an update on storage issues and the need to expand the capacity for UUS products/materials. The storage capacity is needed to meet current demands and to expand the capacity for UUS to sell products/materials in other states. There was a recent vote to move forward with the purchase of two additional warehouses, as well as to enter into contracts for storage facilities. He noted that 5 years ago, sales were approximately \$70M for the entire year and the year-to-date currently exceeds \$147M.

A. KEC Annual Meeting- August 25-26, 2025 (Louisville)

Mr. Todd advised the KEC board will be meeting in the near future.

1. KEC Annual Meeting – August 25-26, 2025 (Louisville)
2. Delegate: Chairman Spalding voting delegate; Mr. Preston alternate delegate.

XIII. NRECA

Mr. Carter discussed an option for the Cooperative to participate in the International Program. Mr. Kerrick made a motion to explore the option, and the costs associated. Mr. Preston made a second to the motion and the motion passed unanimously.

A. Board Governance Video. Mr. Carter requested the viewing of the video be postponed. He reminded the Board they may view these videos at any time should they wish to do so.

B. Region 2 & 3 Meeting- October 21-23, 2025 (Biloxi, Ms.)

1. Hotel: The primary hotel is currently sold out; however, the NRECA will secure additional rooms. Registration deadline is September 19, 2025.

2. Voting Delegate: Mr. Todd is the alternate delegate.

3. A motion was made by Mr. Kerrick to allow Mr. Todd to attend the conference if he chooses. Mr. Preston 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 2025 there was \$10,701.87 in estate retirements. Mr. Goggin made a motion to approve the retirements as stated. Mr. Russell made a second to the motion. After discussion, the motion passed unanimously.

XVII. WORK ORDERS FOR JUNE 2025

A. Work Order #202506 - \$779,044.47.

Mr. Kerrick 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 MAY 2025

A. 142 New Members

B. \$7,100.00 in membership fees were paid.

Mr. Russell made a motion to approve the new members and 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 August board meeting will be held on the Friday, August 29, 2025. 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. At today's meeting, the Board recognized board member William H. Peyton for his 29 years of service to the Cooperative with a meal. Friends and family of Mr. Peyton also attended.

XX. OTHER BUSINESS

None.

XXI. ADJOURN

A motion to adjourn was made by Mr. Kerrick. A second was made by Mr. Goggin and the motion passed unanimously. The meeting adjourned at 11:45 a.m.