

Meeting Minutes Summary

June 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	Allen Goggin
Jason E. Todd	

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

Mr. Bill Peyton was not able to attend due to a medical condition. Mr. Goggin moved to excuse the absence and Mr. Kerrick made a second to the motion. The motion passed unanimously.

I. **PRAYER**

Mr. Kerrick opened the meeting with prayer.

II. **SAFETY MOMENT**

Mr. Carter gave notice of the hazards for bicyclist and motorcyclists on the roadway. A recent death occurred on Maple Avenue when a motorcyclist was struck by a vehicle leaving a local business.

III. **ADOPTION OF AGENDA**

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

A. EKPC and Owner/Member Board Meeting Beginning

The Cooperative participated in a virtual meeting with staff from EKPC. A discussion was presented by EKPC staff to give insight and details on upcoming projects, costs and expenditures that are being considered.

IV. **REVIEW OF MAY 31, 2024 MINUTES**

The Board reviewed the minutes of the May 31, 2024, Board Meeting. Mr. Todd made a motion to approve the minutes. Mr. Goggin made a second to the motion and the motion passed unanimously.

V. **REVIEW OF MAY 31, 2024 SUMMARY MINUTES**

The May 2024 summary minutes were reviewed. Mr. Preston made a motion to approve the summary minutes of the May 2024 board meeting. Mr. Goggin 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. 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 ended with positive margins of \$163,734. May 2024 OTIER was 1.86 and TIER was 1.96. Year to date operating revenues are up \$875k from last year and over budget by \$2.2M. The budget year to date for net margins of \$203k and currently net margins are at \$1M and over budget by \$793k. Year to date OTIER is 2.00 and TIER is 2.21.

Total services in place increased by 2.51% and the miles of line increased by .51%.

A capital credit review was presented. It listed a comparison from 2019 through 2024. That list presented a rough average of paying out approximately 200 estates per year with a low of 160 estate payments in 2020 to 253 estate payments made in 2023.

A review of the approximate quarterly interest rates was compared between May and June of 2024. The rates were down over every maturity time frame except the 3-month maturity term.

1. Capital Credit Discussion. Mr. Carter and Ms. Kurtz presented a review of policy 431 for consideration of the manner in which capital credits are paid to estates. No changes were made to the policy and estate capital credit payments will be made on a discounted basis.

The finance report ended with review of the Form 7 report and interest income report.

B. Office Services – Alyssa Kurtz advised that 39 accounts were overdue and older than February 1, 2024 and the total for those overdue accounts was \$11,533.75. Mr. Todd made a motion to assign those accounts to bad debt and to send them to collections pursuant to the PSC regulations. Mr. Preston made a second to the motion and the motion passed unanimously. Year to date there are 158 accounts overdue with total amount sent to be written off of \$37,406.84.

A graph from Smart Hub Auto Pay/EFT was shown illustrating that 30.26% used EFT to pay their bill.

C. Operations – Mr. Phelps discussed the plant account work done including 157 new work orders in May and new construction that was approximately \$3,070,785. There were 56 poles installed and nearly 6,911 feet of conductor added to the plant.

He then updated the staking and field inventory activity for the month.

The right-of-way chart was presented, and Mr. Phelps noted the miles cleared were well below the amount projected at this point in the year. However, he noted the chart only reported the miles cleared and finished but that clearing is on schedule at approximately 150 miles. He also noted May included four major events and approximately 47,000 member hours were lost.

Mr. Carter gave an update on Pernod Ricard, AMI installation and the radio system projects.

D. Member Services – Mr. Hitchcock discussed the Key Account Monthly Summary comparison for 2024. May reflected over \$1,235,500 of power purchase by the members included in the key accounts.

Diageo represents a 71% portion of the pie chart of the top five key accounts, and it is followed by Makers Mark at 11%.

Mr. Hitchcock presented a bill displaying the EV Charging Pilot Program. This noted a \$13.60 reduction on the bill for 'EV-Off Peak Credit.' The off-peak charging was calculated at \$.02 per kWh. The off-peak charging time is 10 pm to 6 am. The member has to program the EV/car to allow for charging to happen during the off-peak hours.

The 2024 Honor Flight Veterans were listed with images of each participant and details of their respective military service. Freddie Turner and Kenneth "Carroll" Leigh were the participants for this year's honor flight.

The report ended with a listing and discussion of the Member Services Activity Report and the Department.

E. Executive – Mr. Carter discussed the construction plan spread sheet. He displayed images of employee work anniversaries noting that four people listed were celebrating work service anniversaries with a total of 64 years of service.

1. Corporate Services - Mr. McGuffey discussed his report for the month of June. There was one incident as a result of a snake bite. The snake was not venomous, and no treatment was required past a check at the hospital. The employee was released without any reaction from the bite. Crew visits were discussed and the May 2024 recordable incident rate, DART rate and severity rate were all zero. Year to date the recordable incident rate was 3.87, DART rate was 3.87 and severity rate was 3.87.

i. RESAP Inspection Report

Mr. McGuffey presented and discussed the report. The inspection occurs every three years and is performed without notice to the staff (except CEO). There were 13 issues identified and discussed. Images of those issues were presented. It was noted that some of the vehicles that are not 'assigned' to a specific employee did not fare as well as the vehicles that are assigned to specific employees.

2. Information Technology and Cyber Security Report - Mr. Bach discussed the "phishing security tests" over the last six (6) months. He noted the report is still in the "yellow" for the timeframe evaluated. He again noted that the Teams App is a more secure platform, but care should always be taken when opening any attachment or clicking any link. He was very pleased with the Cooperative staff regarding a recent test, as no one clicked on a rather sophisticated email. Mr. Carter advised the search for an additional employee for the IT department is underway.

VIII. **ANNUAL MEETING**

A. Approve Annual Meeting Agenda - Mr. Preston made a motion to approve the annual meeting agenda. Mr. Todd made a second to that motion and the motion passed unanimously.

B. Select Parliamentarian for Annual Meeting - Mr. Todd made a motion to appoint J. Hadden Dean as the parliamentarian for the annual meeting. Mr. Goggin made a second and the motion passed unanimously.

C. Member Speakers at Annual Meeting - Mr. Goggin made a motion for accepting policies for time limits and number of speakers at the annual meeting. Mr. Todd made a second to the motion and the motion passed unanimously. There be an allowance for up to 30 minutes of member speeches at the annual meeting, with no speech being longer than 5 minutes. Should there be more than six (6) members sign up to speak at the meeting, then the maximum time for each speaker shall be the total of 30 minutes divided by the number of members that sign up to speak.

IX. **LEGAL/REGULATORY/POLICY**

No report.

X. **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 'green' category. The equity metrics all fell within the target 'green area' of the chart.

XI. **COMMITTEE REPORTS**

No report.

XII. **EKPC**

Chairman Spalding did mention YTD margins of \$11.6M were below budget. He briefly commented on the issue discussed earlier in the meeting with EKPC staff.

XIII. **KEC/UUS**

No KEC meeting since last Cooperative meeting.

A. UUS Board/Annual Meeting - July 15, 2024

B. KEC Annual meeting is set for August 12-13, 2024 in Louisville, Kentucky and the reservation cutoff is July 6, 2024. Mr. Kerrick made a motion for all board members to attend the annual meeting. A second was made by Mr. Preston and the motion passed unanimously.

XIV. **NRECA**

A. Board Governance Video – An EKPC video outlining the Board's role in safety was played.

B. The Region 2 & 3 Meeting is set for October 7-9, 2024 in Columbia, South Carolina. Early registration is set for August 19. Mr. Kerrick made a motion for approval of Mr. Preston and Chairman Spalding to attend the meeting. Mr. Goggin seconded the motion and the motion passed unanimously.

XV. **FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE**

Tony Hermish will be in Danville on July 24th for a yearly update on the Cooperative's insurance policies and coverage.

XVI. **RUS-CFC-COBANK NEWS/UPDATES**

a. Chairman Spalding gave an update of his attending the CFC Annual meeting in Indianapolis, Indiana.

XVII. **CAPITAL CREDIT DISBURSEMENTS**

For May 2024 there was \$24,669.52 in estate retirements. Mr. Todd made a motion to approve the retirements as stated. Mr. Goggin made a second to the motion. After discussion, the motion passed unanimously.

XVIII. **WORK ORDERS FOR MAY 2024**

A. Work Order #202405- \$412,981.13.

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

XIX. APPROVE NEW MEMBERS FOR MAY 2024

A. 147 New Members

B. \$7,350.00 in membership fees were paid.

Mr. Todd made a motion to approve the new members and the amount of fees stated. Mr. Goggin seconded the motion and the motion passed unanimously.

XX. MISCELLANEOUS

Chairman Spalding requested the Board submit their expense sheets by providing those to Farrah Coleman. The August meeting conflicted with a risk meeting proposed by ACE's and Chairman Spalding as the Chair of the Governance Committee at EKPC is expected to attend that meeting. Mr. Todd made a motion to move the August 2024 meeting to Friday, August 30th, 2024 at 8:30 a.m. Mr. Kerrick 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.

XXI. OTHER BUSINESS

None.

XXII. ADJOURN

A motion to adjourn the meeting was made by Mr. Todd. A second was made by Mr. Goggin and the motion passed unanimously. The meeting was adjourned at 1:05 p.m.