

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 26, 2024

The regular monthly meeting of the Board of Directors of Inter-County Energy Cooperative Corporation (hereinafter called the Cooperative) was conducted at the office of the Corporation in Danville, Kentucky, on Tuesday, November 26, 2024, at 8:30 a.m.

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

Also present and participating were President and CEO Jerry Carter and Board Attorney J. Hadden Dean. Mr. Todd participated by phone due to health issues. Mr. Peyton was absent from the meeting.

II. PRAYER

Mr. Goggin opened the meeting with prayer.

III. SAFETY MOMENT

Mr. Kerrick discussed steps to take in the event of a motor vehicle accident. Those included calling 911 in the event of an injury, moving out of the line of traffic as soon as possible, documenting those involved and contacting local law enforcement and your insurance carrier and getting details from all cars and operators involved.

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. REVIEW OF OCTOBER 25, 2024 MEETING MINUTES

The Board reviewed the minutes of the October 25, 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.

VI. REVIEW OF OCTOBER 25, 2024 MEETING SUMMARY MINUTES

The October 2024 summary minutes were reviewed. Mr. Goggin made a motion to approve the summary minutes. Mr. Preston 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 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 – Ms. Kurtz advised there were positive margins for October in the amount of approximately \$154,000. October 2024 OTIER was 1.69 and TIER was 1.84. The budget year to date was for net margins of (\$24,759) and currently net margins are \$1,735,303. Year to date OTIER is 1.67 and TIER is 1.98.

Total services in place increased by 1.46% and the miles of line increased by 4.11%.

A review of the FFB Borrowing rates for approximate quarterly interest rates between September and October of 2024 reflect lowering of rates in the shortest term but up fractionally in the longer terms with 30-year term at 4.43%.

Ms. Kurtz discussed a resolution titled Adoption Agreement “A,” RUS#: 18077-001 to allow for hardship withdrawal from the 401k program. NRECA prepared a resolution and form for Mr. Carter to sign for accomplishing the modification to policy in question. After discussion, Mr. Preston made a motion to approve the resolution allowing a withdrawal due to hardship. Mr. Todd made a second to the motion and the motion passed unanimously. Mr. Carter was directed to complete the form and deliver the same to NRECA.

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

B. Office Services – Ms. Kurtz advised that 26 accounts were overdue and older than July 1, 2024 and the total for those overdue accounts was \$3,758.49. Mr. Goggin made a motion for these accounts to be assigned to bad debt and sent to collections pursuant to the PSC regulations. Mr. Kerrick made a second to the motion and the motion passed unanimously.

C. Operations – Mr. Phelps discussed the current changes in the department and reassignment of one of the line crews and other developments in the department due to retirements. He and Mr. Carter described the Operations department as one in transition and expected that most cooperatives will be facing these same issues as the workforce begins to experience a significant number of retirements in key positions.

The plant account work started 332 new work orders in October and new construction that was approximately \$2,912,877 and purchases exceeded \$170,000. There were 87 poles installed and nearly 7,420' of conductor added to the plant.

An update on the staking and field inventory activity for the month was provided.

The joint-use project was discussed, and it is expected that a large number of requests for pole changes may be relayed at the start of the new year.

The AMI installation is on schedule and only three routers remain to be installed. As of November 23, 2024, there were 9,500 meters changed out.

The right of way clearing cycle is complete and awaiting final billing. The total costs for clearing for the 2024 year was just over \$1,558,000.

October outages totaled 38, with 1560 hours without power. These numbers are much better than last month where the hurricane came through and heavily impacted the service territory with over 19,000 hours out.

The year-to-date SAIDI chart was presented and discussed. The light blue line represented 2024 and was close to the 5-year average. The major event storms had a significant impact on the outages in October. Mr. Carter noted that every other cooperative through Kentucky was all up as well.

D. Member Services – Mr. Hitchcock was out due to illness. Mr. Carter discussed the Key Account Monthly Summary comparison for 2024.

Mr. Carter also discussed the meeting at the Cooperative headquarters where local elected officials came and discussed current political issues. Those present included Senator Bledsoe and Representative Daniel Elliott. The meeting was coordinated with the Boyle County Chamber of Commerce.

Diageo represents a 68% portion of the pie chart of the top five Key Accounts, and it is followed by 12% by Makers Mark.

Mr. Carter discussed the ACSI survey conducted in October 2024. He noted the score was 86 and that was the best score in the last 4 years.

Mr. Carter said that the fundraiser for Christmas Blessings was successful and raised over \$7,000. There are 42 kids that are being served this season.

E. Executive – Mr. Carter discussed the construction plan spread sheet. He advised that equipment purchases were significantly higher, and he discussed the new meters were a major part of that sum. Mr. Carter then displayed images of employee work anniversaries noting that six (6) people listed were celebrating work service anniversaries with a total of 106 years of service.

1. Corporate Services – Mr. McGuffey was absent, and Mr. Carter reviewed his report and attachments.

2. Information Technology and Cyber Security Report – The Cooperative employees performed well regarding recent phishing emails, and it did not result in any clicks. The recent emails were advanced, and it is clear the employees are paying more attention to attachments and/or links that are suspicious for some reason.

VIII. PRELIMINARY 2025 BUDGET PRESENTATION

Ms. Kurtz presented the preliminary budget and went over the contents of the budget and discussed the same.

IX. LEGAL/REGULATORY/POLICY

A. Policy 202- Employee and Temporary Personnel Classifications (Action on Proposed Revisions)

A motion was made by Mr. Kerrick to accept the changes recommended by staff. A second was made by Mr. Preston and the motion passed unanimously.

B. Policy 207 Sick Leave (Action on Proposed Revisions)

A motion was made by Mr. Todd to note the policy was reviewed with changes requested by the Board or staff. Mr. Preston made a second to the motion and the motion passed unanimously.

C. Policy 209- Annual Leave (Action on Proposed Revisions)

A motion was made by Mr. Todd to note the policy was reviewed with changes requested by the Board or staff. Mr. Goggin made a second to the motion and the motion passed unanimously.

D. Policy 211 Military Leave (Review)

After review and discussion, Mr. Kerrick had a question about adding “National Guard” to a specific paragraph in the policy. Mr. Carter advised the staff would revisit the policy, make the recommended change and present the revised copy at the December Board Meeting.

E. Policy 228- Consumer Deposits (Action on Proposed Revisions)

Mr. Carter discussed the semantical changes to the policy and advised there are no substantive changes to this policy. After discussion, Mr. Preston made a motion to approve the proposed changes. Mr. Kerrick made a second to the motion and the motion passed unanimously.

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. He noted the equity will drop in the next few months due to the AMI system.

XI. COMMITTEE REPORTS

A. None

B. Governance

Motion was made by Mr. Preston to go into Executive Session for the purposes of personnel review of the Board Attorney. Mr. Todd made a second to that motion and the motion passed unanimously. A motion to come out of executive session was made by Mr. Kerrick and a second was made by Mr. Goggin. After review of the respective evaluation forms and being otherwise advised the Board announced the following action to be taken:

1. Board Attorney Review- The Board previously circulated a form with several metrics to rate the performance of Mr. Dean. Chairman Spalding discussed the form with Mr. Dean and advised all metrics were answered by the Board as 'excellent.' Chairman Spalding also noted a bonus to Mr. Dean was approved by the Board.

XII. EKPC

Chairman Spalding gave an update on the last meeting and advised efforts to ensure that alternative generation was available and prepared to work in inclement weather conditions. He also announced that YTD margins were \$4.7 million below budget.

XIII. KEC/UUS

Mr. Todd gave a general overview of the last meeting and noted that there was nothing unusual to report.

XIV. NRECA

A. Board Governance Video

Mr. Carter played a video that discussed artificial intelligence and how cooperatives can expect it to be used now and in the future. Mr. Carter advised the Board that he and Mr. Dean have begun working on a policy for artificial intelligence and have draft forms from NRECA on this issue.

B. Winter School for Directors- December 13- 17, 2024 (Nashville, TN).

C. CEO Close-Up- January 12-14, 2025 (Marco Island, FL).

Mr. Carter is attending this year.

D. Director's Conference – January 25-28, 2025 (Ponte Vedra Beach, FL)
(Available Online January 26-28, 2025).

Chairman Spalding is attending through his position with EKPC. If any other director wants to attend, they may do so and will need to seek approval at the next board meeting.

E. 2025 PowerXchange - March 10-12, 2025 (Atlanta, GA)(Director Education Courses March 7-9)

Chairman Spalding and Mr. Todd requested approval to attend this conference. Mr. Goggin made the motion to approve the travel and expenses associated with attending the Director Education Conference. Mr. Preston made a second to the motion and the motion passed unanimously.

XV. FEDERATED RURAL ELECTRIC INSURANCE / BOARD LEGAL UPDATE

No report.

XVI. RUS-CFC-COBANK NEWS/UPDATES

A. CFC Statewide Financial Workshop- January 21-22, 2025 (Lexington)

Chairman Spalding noted the deadline for attending is December 20, 2024. Mr. Goggin made a motion to approve that all directors who want to attend be approved for the travel and other related expenses for the workshop. Mr. Preston made a second to the motion and the motion passed unanimously.

XVII. CAPITAL CREDIT DISBURSEMENTS

For October 2024 there was \$11,443.00 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 OCTOBER 2024

A. Work Order #202410- \$499,563.06.

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 OCTOBER 2024

A. 152 New Members

B. \$7,600.00 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. Todd. The motion passed unanimously.

XX. MISCELLANEOUS

Chairman Spalding requested the Board submit their expense sheets by providing those to Farrah Coleman. The regular December meeting is set for Friday, December 27th, 2024, at 8:30 am.

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. EXECUTIVE SESSION

Mr. Todd made a motion to enter an executive session for purposes of review of the CEO. Mr. Goggin made a second to the motion and the motion passed unanimously.

Mr. Goggin made a motion to come out of executive session. Mr. Todd made a second to the motion and the motion passed unanimously.

XXII. OTHER BUSINESS

The January 2025 meeting is reset to Friday January 31, 2025, at 8:30 am.

XXIII. ADJOURN

A motion to adjourn was made by Mr. Kerrick. A second was made by Mr. Preston and the motion passed unanimously. The meeting was adjourned at 1:27 p.m.