

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
Meeting Minutes Summary

April 17, 2020

Chairman of the Board, Joseph H. Spalding, acknowledged that due to the novel coronavirus (COVID-19), he and CEO Jerry Carter recommended this April Board of Directors Meeting be conducted telephonically. A motion was made by Mr. Kerrick to approve conducting the April Board of Directors Meeting telephonically. Mr. Todd made a second to the motion and the motion passed unanimously.

Mr. Carter gave the prayer. After roll call, it was noted that the following directors were present via telephone, to-wit:

Joseph H. Spalding	J. Kevin Preston
William H. Peyton	Louis A. Kerrick
Jason E. Todd	Allen Goggin

Also present and participating was President and CEO Jerry Carter, Board Attorney J. Hadden Dean and Sheree Gilliam.

SAFETY MOMENT

Bo McGuffey presented the safety moment where he identified how important it is to be careful at intersections. Mr. McGuffey discussed a recent accident where a vehicle had traveled through a green traffic light and an individual with a limited amount of experience in driving became confused and against his red light proceeded to enter the intersection, striking the vehicle that had the green light (right of way). It was noted that the traffic laws in Kentucky allow for the entrance into an intersection with a green light only when safe to do so.

ADOPTION OF AGENDA

Mr. Todd made a motion to approve the agenda. Mr. Preston made a second to the motion and the motion passed unanimously.

REVIEW OF MINUTES

The Board reviewed the minutes of the March 31, 2020 Board Meeting. Following review of the minutes, it was noted there were three semantical changes. Mr. Peyton made a motion to approve the minutes with the identified changes. Mr. Goggin made a second to the motion and the motion passed unanimously.

MARCH SUMMARY MINUTES

March summary minutes were discussed, and a motion was made by Mr. Goggin to approve the summary minutes for March 2020 board meeting. Mr. Preston made a second to the motion and the motion passed unanimously.

REPORTS

Departments

The minutes will reflect each of the respective department heads have in the past and 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 April 17, 2020 meeting, as a result of COVID-19, each department head attended the meeting telephonically. In addition, a proposed budget was circulated by each and reviewed each of the line items as presented with the summary of their activities, which was included in the board packet for each Director of the Cooperative.

A. Finance and Administration – Ms. Gilliam advised it was a very good month which exceeded the budgeted margins of approximately \$66,000.00. The Corporate had positive margins in excess of \$374,000.00. She advised that the CFC semi-annual interest payment was made and received by the Cooperative. She also confirmed the Cooperative applied for the Federal Payroll Protection Plan loan/grant. The amount applied for is based upon monthly payroll, benefits and other identifiable usage. An accounting of these expenditures will be required by the Cooperative for any of the current loan funded by the program that may be forgiven under the terms of the loan/grant. Additional guidance on the program is being sought and she advised very little information was available at time of submitting the application.

Ms. Gilliam confirmed the audit is ongoing and it was much more challenging due to COVID-19, as the auditors worked remotely.

Ms. Gilliam gave an update on director expenses and the way they are accounted for and where they are listed. She confirmed some expenses were reorganized to more appropriately identify the amounts charged to the directors.

1. Cyber Security Update

Mr. Bach advised he had no updates on any hacks or infiltration attempts into the computer systems of the Cooperative. Mr. Carter identified that Mr. Bach has been doing an excellent job of helping employees to work from home and shelter in place.

B. Office Services – Ms. Stocker called for a motion to approve 42 accounts totaling \$11,648.82 to be deemed as overdue and that the same would be assigned to collections. Mr.

Preston made the motion. Mr. Goggin made the second to the motion and the motion passed unanimously. Ms. Stocker also confirmed that operational expenses were in line with the budgeted projections. She noted there were an enormous amount of phone calls from members that were concerned about their bills and the loss of employment due to COVID-19.

Ms. Stocker gave an update on the prepay accounts and noted of the 210 accounts, 30% of those are not paying. She also confirmed pursuant to PSC rulings, accounts in default cannot be turned off until further direction from the PSC. This does not mean the accounts will be collected or otherwise turned over to debt collection.

C. Operations – Mr Phelps provided an update on the outages resulting from the recent storm which occurred over Easter weekend. He advised while the Cooperative had several of its members without power, as of the time of the board meeting, Cumberland Valley still had significant outages, as of April 16.

He gave an update on the Perryville circuits and updates to the infrastructure in that location. He identified there had been contractors sent to back feed and rebuild some of the damaged circuits. He confirmed the track vehicle trailer will be picked up soon and anticipated its arrival on April 17. He confirmed members from the PSC were going to come and make inspections of certain aspects of the engineering and operations program soon and will provide an update on the results of that evaluation later.

Last, Mr. Phelps gave an update on the Diageo project. He and Mr. Carter confirmed that temporary power is scheduled to be delivered and operational as of May 11, 2020. The contracts are in their final form and being delivered and circulated amongst the various corporate designees with Diageo. It is unknown when those will be signed. Until such the execution of those are secured, no further action on identifying or making press releases is permitted.

D. Member Services – Mr. Hitchcock confirmed the Washington Youth Tour had been cancelled as a result of COVID-19. It was originally scheduled to begin on June 19. He also confirmed the Honor Flight scheduled for August 29 has been cancelled. He confirmed that he and other members from the cooperative staff had participate in a 68-car parade around Harrodsburg Health Care Manor. The purpose of the parade was to assure the residents of the healthcare are cared for. The parade was conducted in an appropriate social distance manner wherein patients at the Manor were segregated 20 to 30 feet from the parade of cars. Mr. Hitchcock also advised that he had recently been contacted by Mike Wilder, as he extended appreciation to the quick way the Cooperative and its agents addressed the massive storm outage as a result of the Easter weekend storm. It is also understood that he would write a letter and

place an advertisement in The Advocate Messenger, thanking the Cooperative responded to the storm damage.

Mr. Hitchcock advised the Boyle County Fiscal Court had denied a request for a construction of additional rick houses. It is understood that Wilderness Trace Distillery may take an opportunity to relocate some of its operations to Garrard County, Kentucky.

Last, Mr. Hitchcock and Mr. Carter discussed the rescheduling of the Annual Meeting and the options available. Mr. Dean noted during the upcoming May Board Meeting, the Board may want to consider a review of its' bylaws and/or policies, which allow for the rescheduling and potentially the cancellation of the Annual Meeting, with certain exceptions and/or information provided to the membership.

E. Executive – Mr. Carter gave an update on the minutes of March Safety Meeting. He also confirmed recent crew visits had been made but had been limited to some degree as a result of COVID-19.

Mr. Carter gave a review of his executive budget and confirmed most of the items were meeting budget requirements or even better. However, he did expect there to be some losses sustained in the future, as a result of the reduction in commercial activity and expects there to be delays or some losses from members who are unable to pay their bill. He also discussed the load factor document which is in the board packet. He confirmed EKPC had one of its lowest power costs to the 16 distribution cooperatives and discussed the rationale behind that.

Mr. Carter presented a graph of the outages following the recent storm over Easter weekend. He also identified service anniversaries which ran from employees serving 15 years down to 2 years.

Last, Mr. Carter gave an update on the Windstream bankruptcy and discussed the fact that this continues to be a constant topic of conversation with KEC and CEO's during their monthly telephone conferences. There are still portions of the billing which have not been satisfied and Mr. Carter and Mr. Dean are in constant contact with Tip Depp and his associates regarding available options.

I. LEGAL/REGULATORY/POLICY

Mr. Carter brought forth Policy 315 (Safety & Occupational Health) for review and the same is being revised. Mr. McGuffey and Mr. Carter will finalize and present the revised policy at an upcoming board meeting.

II. BOARD/CEO SESSION

A. Annual Calendar Review

Mr. Carter presented a review of the annual calendar and confirmed that in-person meetings identified in the calendar beginning in March until the foreseeable future will likely not occur or will otherwise occur only as technology based meetings as available and are adequate for the purpose of the meeting.

B. Dashboard Review

Mr. Carter then made a review of the dashboard and confirmed year-to-date totals looked good for revenue items and for the financial aspects of the dashboard.

III. COMMITTEE REPORTS

There were no committee reports presented at this time.

IV. EKPC

Chairperson Spalding gave an update of the current issues being addressed at EKPC, as they relate to COVID-19. He discussed and confirmed that the cost of power has been greatly reduced during this time primarily due to lack of demand and more than adequate supply. Chairperson Spalding confirmed EKPC did apply for the Payroll Protection Plan and obtained approximately \$10,000,000.00 of benefits. They noted in the event there are elements of the program that do not meet the specifications that EKPC would then have to treat it as a loan or refund the money. The loan payback rate is 1% and it was noted that rate is hard to beat in the open market.

Chairperson Spalding then called for a motion to appoint the representative and alternate representative for the EKPC Annual Meeting. Mr. Todd made a motion to approve Mr. Preston as the voting delegate and Mr. Kerrick as the alternate delegate. Mr. Goggin made a second to the motion and the motion passed unanimously.

Last, Chairperson Spalding gave an update on the Spurlock Property and the work being done. COVID-19 is also creating problems and challenges for that work force.

V. KEC/UUS

Mr. Todd gave an update on his work with KEC and confirmed there has not been a board meeting since the last Cooperative meeting but stated he has participated in a committee meeting.

VI. NRECA

Chairperson Spalding confirmed the summer school, as well as the Gettysburg Leadership Experience have been cancelled. The cancellation again is due to COVID-19.

IX. FEDERATED RURAL ELECTRIC INSURANCE

Chairperson Spalding identified there were no updates.

X. RUS-CFC-COBANK NEWS/UPDATES

Chairperson Spalding confirmed there was no additional update available at the time of the meeting.

XI. CAPITAL CREDIT DISBURSEMENTS

Mr. Preston advised there were estates retirements for February of 2020 totaling \$18,152.00. Mr. Peyton made a motion to approve the disbursements as stated by Mr. Preston. Mr. Kerrick made a second to the motion and the motion passed unanimously. Mr. Preston also noted the total patronage capital retirements as of January 2020 were \$13,853,834.00.

XII. WORK ORDERS

Mr. Preston identified Work Order #1986 in the amount of \$350,114.81 and Work Order #1987 in the amount of \$16,720.19. Mr. Todd made a motion to approve the work orders as stated. Mr. Goggin made a second to the motion and the motion passed unanimously.

XIII. NEW MEMBERS

Mr. Preston advised for March of 2020 the Cooperative added 159 new members totaling \$7,950.00. Mr. Goggin made a motion to approve the new members and the fees collected. Mr. Kerrick made a second to that motion and the motion passed unanimously.

XIV. MISCELLANEOUS

Chairperson Spalding requested the Board submit their expense sheets and provide those to Ms. Coleman via email and/or by dropping the same off through the drive-up window at the Cooperative. He reminded the Board that the next regular board meeting is scheduled to be held on Friday, May 15, 2020 at 8:30 a.m. It is expected this May Board Meeting will likewise be conducted telephonically or by other electronic means.

Chairperson Spalding suggested that anyone wishing to have an item placed on the agenda do so by providing the same to Farrah Coleman.

Chairperson Spalding then asked if there are any additional issues that need to be addressed on the agenda other than those mentioned above. Seeing no additional comments in that regard, Mr. Kerrick made a motion to adjourn the meeting at 11:32 a.m. Mr. Goggin made a second to the motion, and the motion passed unanimously.