



BOARD MEETING SUMMARY

April 2025

Board Members Hear From Director of IT on New Software

Dewayne Johnson, Director of IT, addressed the Board during the April monthly meeting. Mr. Johnson discussed Regroup Mass Notification software recently acquired by the co-op and how it will ramp up communication with the employees by using text messaging.

Mr. Johnson added that the initial set-up was quick, and it will be a great way to reach all employees and directors rapidly, especially outside employees who don't always have access to computers and emails.

Board members appreciated Mr. Johnson's efforts in implementing a fast, uncomplicated way to reach employees when safety is a priority, such as during severe weather events.

Newton Updates Board on Staffing Changes

Kevin Newton, President & CEO, informed directors that due to recent staff transfers and promotions, there are four vacancies to be filled; a Contract Coordinator who works directly with Davis H. Elliot crews, two linemen positions – one in Somerset and one in Albany, and a Call Center Representative.

Mr. Newton reported that there has been some delay in filling the Albany lineman position due to applicants lacking the experience necessary for the job but felt confident that a suitable candidate will be found soon.

Rate Case Procedure in Full Swing

Mr. Newton reported that the rate case procedure is moving along with multiple data requests filed by the Kentucky Public Service Commission and the Kentucky Attorney General's office. Co-op staff have been busy responding to the requests.

Mr. Newton commented that based on a recent inquiry by the PSC, he expects a July hearing date to be set soon.

February Ends With Favorable Numbers

Carrie Bessinger, Chief Financial Officer, reported that February's numbers were more favorable than last month's with the gross margin for the month totaling \$6.2 million compared to a budgeted total of \$5 million. Although favorable, the margins for the same month in the prior year were a gain of \$3.1 million, and she further stated that the main reason for the variance noted with 2024 is the high fuel cost.

The FAC (fuel adjustment charge) for February was \$1.9 million and in January, it was shown as a small credit on members' bills. The estimated FAC increase per member will be \$16.91 on an average April bill. Mrs. Bessinger commented that because of the delay from when the fuel costs are invoiced to when the cost is passed through on member bills, the co-op will recoup approximately half the fuel costs in April and the rest when "true-up" calculations are done. She further explained that the PSC completes a "true-up" adjustment every two years, and one is expected to take place during 2025.

Mrs. Bessinger reported that right-of-way circuit costs are tracking right at budget with 17% of the contract miles completed as of the end of February. During January, contractors finished the circuits which were postponed at the end of 2024. For the month of March, 22% of the miles under the 2025 contracts have been completed.

Haynes Re-appointed as EKPC Director

Boris Haynes, SKRECC District 6 Director, was re-appointed to serve as the SKRECC representative on the East Kentucky Power Cooperative Board for the 2025-2026 term. Mr. Haynes will be installed during the EKPC annual meeting scheduled for June 10th.

May Board Meeting Rescheduled

Due to schedule conflicts, the regular monthly meeting for May was rescheduled for Tuesday, May 6th.