



BOARD MEETING SUMMARY

June 2025

Board Holds Live-Streamed Annual Business Meeting for 2025

On Thursday, June 12th, at 7:30 pm ET, South Ky RECC directors once again joined co-op members in their homes via a live-streamed annual meeting. Cathy Epperson, board chairperson, welcomed members and introduced fellow directors and board counsel, Frank Phillips, who served as the moderator for the evening.

Mr. Phillips called the meeting to order citing Section 3.04 of the Bylaws, read the official notice and proof of mailing via Ky Living Magazine, and dispensed with the reading of the 2024 meeting minutes upon consideration and approval of a motion. Mr. Phillips stated that the co-op had received a clean audit report from Cherry Bekaert Advisory LLC for 2024 operations.

Mr. Phillips informed the Board that Mr. Nelson, representing District 5, was unopposed in this year's election and will retain his board seat for another four-year term beginning in July. The election for the District 1 board seat was contested and the election concluded at 6 pm ET. Mr. Phillips reported that once the election results were confirmed by South Kentucky's Credentials and Elections Committee, the candidates (Cathy Epperson and Rick Barker) would be notified, and the results would be published on South Kentucky's website. Mr. Phillips further stated that there would be no director election in 2026 and turned the meeting over to Kevin Newton for the CEO's report.

Mr. Newton thanked everyone for the tremendous support that the community had shown to the co-op following the tornado on May 16th. He informed members that temporary office space and a service center location had been secured, and it would take quite some time to repair the existing warehouse structure and rebuild the headquarters office which was devastated by the storm.

Mr. Newton expressed appreciation to co-op employees for their commitment to working safely under the extreme conditions endured during multiple storms over the past two years and recognized their milestone of 500,000 hours without a lost time accident reached in March.

Mr. Newton reported that in 2025, South Kentucky built electric lines to 1,160 new services, constructed 44 miles of new electric lines, cleared over 950 miles of right-of-way, and installed or replaced over 1,300 poles. He proudly stated that SKRECC's reliability rate is 99.9994% with operating costs which run significantly below the national average.

Mr. Phillips thanked Mr. Newton for his report, and upon motion, the 2025 annual business meeting adjourned.

Newton Updates Board on Rate Case Proceedings

Mr. Newton informed directors that the state attorney general's questions were answered and follow-up questions were sent to them by us. Mrs. Bessinger has been working on her rebuttal testimony to the AG's rate expert's testimony, and it will be filed on Friday, June 13th. This should be the last group of questions prior to the hearing set for July 17th at 9:00 am at the PSC office in Frankfort.

Mild Weather Results In A Loss for April

Carrie Bessinger, Chief Financial Officer, reported that net margins for April showed a loss of \$782,500 and a budgeted loss of \$291,000. This is mainly attributed to reduced revenue because of mild weather in March and April which was billed to members in April.

Operating expenses are lower than the budget by \$336,000, but higher than 2024 by \$409,000. When comparing April of 2025 with last April, our distribution maintenance expenses were higher, and this is due to a higher number of rights-of-way clearing invoices being processed during 2024.

Mrs. Bessinger commented that the co-op has seen a reduction in the hourly work needed, which is likely a result of the circuit work that has been completed previously. Mrs. Bessinger reported that as of the end of May, 46% of the contracted right-of-way trimming has been completed.