



BOARD MEETING SUMMARY

July 2025

SKRECC Seats Directors for 2025 – 2029 Term and Holds Officer Election

On Thursday evening, July 10th, the South Ky RECC Board of Directors met in regular session. Frank Phillips, Board Counsel, installed directors Cathy Epperson, District 1, and Tommy Nelson, District 5, following their successful bids for re-election. The directors were seated for the 2025 – 2029 term retroactive to July 1, 2025.

Mr. Phillips then conducted the annual board of directors' officer election. The following directors were elected as officers for the 2025 – 2026 term: Brent Tackett, Chairperson; Boris Haynes, Vice-Chairperson; and William Allen, Secretary/Treasurer.

Newton Updates Board on Plans for New Headquarters and Repairs for Warehouse Building

President and CEO, Kevin Newton, informed directors during the July meeting that plans for rebuilding the SKRECC headquarters destroyed by the May 16th tornado are proceeding quickly. The damaged building has been completely demolished, and the footers and a portion of the concrete slab will be removed to prepare the site for new construction.

Mr. Newton assured the Board that he is working closely with the Federated Rural Electric Insurance Exchange and the general contractor on the plans in order to stay within the approved budget amount. Preliminary discussions include a one-story layout with better utilization of the lobby and drive-through areas to better serve the members' needs.

Repairs to the warehouse building continue to progress with 12,000 square feet of office space stripped down to the studs. Contractors are working as quickly as possible to complete renovations in order to have all personnel currently using mobile office units on the grounds housed within the warehouse building before winter. Final repairs will include a new metal "skin" for the outside of the building.

Newton Updates Board on Rate Case Proceedings

Mr. Newton informed directors that he and Mrs. Bessinger will be in Frankfort on Thursday, July 17th, for the rate case hearing. He, Mrs. Bessinger, Mrs. Honaker, and Mr. Wolfram participated in a hearing preparation conference call on Wednesday, July 9th.

May Financials Continue Downward Trend

Carrie Bessinger, Chief Financial Officer, reported on May margins, which showed a loss of \$1.6 million compared to a budgeted loss of \$705,000. She informed directors that invoices from the restoration following the tornado are still coming in and of the \$1.2 million estimated expenses, roughly \$250,000, will not be part of the anticipated FEMA declaration since they resulted in counties which were not included as part of the disaster area.

Year-to-date revenue is higher than the budget by \$2.6 million, with residential sales showing a 4% increase and small commercials sales showing a 9% increase. Year-to-date kWh sold are higher with the largest portion coming during the first quarter of 2025. The cost of purchased power is also higher than the budget due to the variance between the estimates supplied by EKPC and the actual cost billed.

Board Approves Capital Credit Allocation

Directors unanimously voted to approve the allocation of capital credits to members, excluding those marked for estate retirement, from the 2024 margins of \$1,102,399. The allocation to each member will be based on their 2024 revenue contribution toward the margins.

Mrs. Bessinger anticipates the payout of capital credits for 2024 will be accomplished during a more profitable year in the future.