



## **Newton Updates Board on Building Construction and Repairs**

On Thursday evening, December 11<sup>th</sup>, Kevin Newton, President and CEO, reported that he attended an onsite progress meeting with reps from D. W. Wilburn, DECO architects, and the engineering firm involved in the construction process. Timely progress is being made and the steel for the building is set to be delivered in the next week with no anticipated delays. Wilburn is working toward a November 1st completion date.

Work is proceeding on the inside of the warehouse and is set to finish in late February. Natural gas has been reconnected to the outlying buildings and work is moving forward on getting natural gas to the warehouse building. Mr. Newton commented that there will need to be some damaged heaters replaced in the warehouse.

Negotiations with the contractor were successful in getting a separate electrical service run to the new headquarters building and a new diesel generator to serve as backup in the event of another catastrophic event. The facility will not have to rely on natural gas lines which may be shut off due to damage.

Mr. Newton informed directors that the solar array beside the building was damaged during the tornado and we are in the process of getting bids for repairs which will be covered under our insurance policy.

## **SKRECC Chosen Business of The Year in 101-200 Employee Category**

Kevin Newton informed directors that the co-op has been chosen Business of The Year in their category and will be recognized during the annual Somerset Pulaski Chamber of Commerce Banquet scheduled for Thursday, January 15<sup>th</sup> at The Center for Rural Development.

Mr. Newton urged directors to attend the banquet in support of the co-op and its employees. Multiple employees will attend the banquet to represent South Ky RECC during the evening and to accept the award.

## **Directors Table Approval of 2026 Operating Expense Budget**

The Board of Directors voted unanimously to table the approval of the 2026 Operating Expense Budget following discussions related to cuts to the Board's individual budget.

Directors requested that Mrs. Bessinger revisit the Board's expense items and implement cuts amounting to around 15% of their total projected expenditures for next year.

The Board will review the updated budget and discuss approval during the January regular monthly meeting.

## **October Revenues Continue Positive Trend**

Carrie Bessinger, CFO, reported that the month of October showed a gain of \$455,000 which was better than budget by \$396,000. The main variances were in expenses and non-operating income. Reduced labor and overtime costs along with a significant reduction in contractor right-of-way clearing were also contributing factors to the lower than budgeted expense totals.

October kWh sales were higher than the budget by approximately five percent and higher than the prior year by approximately three percent. Even though kWh sales were higher, revenue for October was lower than budget and same as prior year due to the pass-through of the large fuel credit, which was around \$900,000, from our power bill. This was the second credit for the year, and Mrs. Bessinger commented that she anticipates another fuel credit in November.

## **Newton Addresses Penny Shortage**

Mr. Newton followed up a discussion from the November board meeting reporting that EKPC had recently held a virtual meeting addressing how co-ops plan to manage the phasing out of pennies.

The co-op plans to ask members paying with cash to pay up to the nickel and assign a credit on their next bill for the overage. This will amount to less than \$.04.