



BOARD MEETING SUMMARY

November 2025

Newton Shares 2026 Right of Way Trimming Bid Information with Directors

On Thursday evening, November 13th, Kevin Newton, President and CEO, shared information related to the 2026 right-of-way circuit trimming bid awards with the directors at South Kentucky RECC.

Awarded circuit trimming will cover 750 miles in 2026 and total \$4.2 million which will be shared by Kendall Vegetation Service; Steel Rock Services, LLC; and Townsend Tree Service Company, LLC.

Areas to be trimmed include Northern and Eastern Pulaski, Southern Lincoln, and portions of McCreary, Russell, and Wayne counties.

Newton Shares Construction Update with Directors

Kevin Newton reported that repairs are continuing on Building B (warehouse facility) with the inside work scheduled to start soon. Work is being done to repair the natural gas line so that the building will have heat as soon as possible.

The inside work will include drywall, electrical, and plumbing for all damaged offices and common spaces and the projected move in will be early January.

Mr. Newton shared that once the offices are ready in Building B, staff who have been working in mobile office trailers parked on the lot will be able to move into the building. This will be more comfortable and secure for our employees as well as allow us to turn in the mobile units and stop paying rent.

Work is proceeding nicely on the headquarters building with final completion set no later than March of 2027. Mr. Newton commended staff for their help with the construction and for staying within the budget for the replacement of furniture and fixtures.

Directors Approve 2026 Capital Budget; Hear Presentation on 2026 Expense Budget

The Board of Directors voted unanimously to approve the 2026 Capital Budget during the November meeting. The budget, which increased just over 1% from 2025, will take effect January 1st.

Mrs. Bessinger presented the 2026 Operating Expense Budget to the directors for their consideration. They will review and discuss approval during the December regular monthly meeting.

September Revenues Continue Positive Trend

Carrie Bessinger, CFO, reported that the net margin for September showed a gain of \$1.95 million compared to a budgeted gain of \$507,000. The margin for the same month in 2025 was a gain of \$823,000. Mrs. Bessinger commented that the early implementation of the rate increases was included in these numbers.

Lower than expected power cost for the month resulted in a gross margin \$500,000 higher than the budget and \$1.5 million higher than 2025. Operating expenses were 24% lower than budget mainly due to right of way clearing being behind schedule and a delayed start in budgeted pole inspection work. September kWh sales were down compared to both budget and prior year by approximately 1% due to mild weather.

Directors Agree to Change Date of January 2026 Board Meeting

Due to a schedule conflict, the directors agreed to move the meeting date of the January 2026 regular monthly meeting from Thursday, January 8th to Tuesday, January 20th. Meeting start time will remain at 5:00 pm eastern.