



## **Construction of New Headquarters Building Ahead of Schedule**

Kevin Newton, CEO, reported to directors during the regular May monthly meeting, that the unseasonably dry spring weather has allowed the contractor to work ahead of schedule on the Somerset headquarters facility. The anticipated finish date is November 1<sup>st</sup>.

Mr. Newton also reported that designs for the new Monticello warehouse are due to be completed on or by May 29<sup>th</sup>, and the project will then be put out for bids. The auction of the Pulaski County farm property is set for June 6<sup>th</sup>, and Newton commented that he is confident that the sales proceeds will be more than enough to cover construction of the new warehouse.

## **2026-2029 Workplan Approved During May Meeting**

Directors voted unanimously to approve the 2026-2029 Construction Workplan which was presented by Dakota Brown, SKRECC Director of Engineering, during the April board meeting.

Planned new construction (57%) and system improvements (43%) built into the workplan will be underwritten by funds borrowed from RUS at a reduced rate based on the total amount of the workplan.

## **Board Votes to Expand Contract With Survey & Ballot Systems For 2027 Director Election**

During the May meeting, directors voted to expand the current contract with Survey & Ballot Systems, who conducts the online voting during director elections, to include all tasks associated with in-person voting for the 2027 director election.

The election, which will be held in June of 2027, will determine seating for districts 2 (Russell), 3 (eastern Pulaski), and 6 (McCreary).

## **Mild March Generates Positive Financial Numbers**

Carrie Bessinger, CFO, reported that March Margins without unbilled revenue were a gain of \$866,000, higher than the budget by \$912,000 and lower than the prior year by \$251,000. Mrs. Bessinger commented that March weather was mild compared to the prior year producing less kWh sales than both budgeted and prior year, however because of our rate case, it still generated higher revenues than both.

While most operating expenses were below the budget, maintenance expenses are higher than the budget by \$220,000 because of several ice storm mutual aid invoices just received and contractor expenses related to the large wind event in mid-March.

The cost of power for March was higher than the budget and prior year by 9%. While the volume of purchases was near the expected amount, the rate was higher due to unusually high fuel costs from January being passed down by East Kentucky Power.

## **Bessinger Discusses EKPC Rate Case Specifics**

Mrs. Bessinger discussed the breakdown of East Kentucky Power's recent rate case and its effect on our residential and commercial accounts. Residential and small commercial accounts aren't getting as much of the total rate increase as large commercial accounts according to the order which was passed. A small amount of the rate increase is also reflected in the monthly consumer charge.

Per-unit increases will not be implemented until the June billing so that we are in compliance with the order.

## **Director Epperson Approved as KEC Board Rep for 2026-2027 Term**

Upon a motion duly made, seconded, and unanimously carried, the SKRECC Board of Directors selected Cathy Epperson to serve the one-year term as board representative for the Kentucky Electric Cooperatives Board.