



BOARD MEETING SUMMARY

June 2026

SKRECC Holds Live-Streamed Annual Business Meeting

On Thursday, June 11th, at 7:30 pm ET, South Ky RECC directors joined co-op members in their homes via a live-streamed annual meeting. Brent Tackett, board chairman, welcomed members and introduced board counsel, Frank Phillips, who served as the moderator for the evening.

Mr. Phillips introduced directors and staff and called the meeting to order citing Section 3.04 of the Bylaws. He read the official notice and proof of mailing via Ky Living Magazine and dispensed with the reading of the 2025 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 2025 operations.

Mr. Phillips reminded members that Directors on the South Kentucky's Board of Directors serve four-year terms. Because of the way that the terms of the seven Directors are staggered, an election is held each year for three years and on the fourth year no election is held. This year is the fourth year therefore no elections were held this year. Phillips then turned the meeting over to Kevin Newton for the CEO's report.

Mr. Newton thanked everyone for the tremendous support from the community following last year's tornado which destroyed the headquarters. Newton reflected on the damage and destruction last year and how much change has taken place in just over a year.

Mr. Newton emphasized that the co-op remains committed to managing costs responsibly while continuing to provide reliable service to all members. He stressed that SKRECC's operating costs remain significantly below the national average, allowing them to offer competitive energy prices. He thanked the employees and the Board for continuing to focus on safety and being dedicated members of the communities that are served by volunteering and giving back.

Newton reported that in 2025, the co-op connected 1,017 new services, constructed 51 miles of new electric line, cleared nearly 1,000 miles of right-of-way, and installed or replaced over 4,000 poles. He stated that SKRECC's

reliability rate is 99.74% which includes the period following the tornado.

Mr. Phillips thanked Mr. Newton for his report, and upon motion, the 2026 annual business meeting adjourned.

Co-op Sells Pulaski County Acreage at Auction in June

Kevin Newton, CEO, informed the directors the Pulaski county farm property located on West Highway 80 sold at auction on Saturday, June 6th for \$1.6 million. The four separate buyers spent around \$1.8 million, including the buyers' premiums, for the 65-plus acres.

Newton stated that the co-op has 60 days to close, and Mrs. Bessinger and Mr. Phillips are working on the required lien release documents. Mrs. Bessinger added that government timelines are long and it may take the full 60 days to complete the process.

Monticello Warehouse Plans Finalized

Newton informed the directors that the Monticello warehouse plans are completed and have been distributed to contractors for bids. The bids are due back by the end of June, and he plans to discuss them with the Board at the July meeting so that a decision can be made and a contractor chosen.

Mild April Generates Positive Financial Numbers

Carrie Bessinger, CFO, reported that April margins without unbilled revenue were a gain of \$28,000, lower than the budget by \$577,000 and higher than the prior year by \$783,000. Net margins for the month including unbilled were a loss of \$677,000. Mrs. Bessinger commented that April was a low usage month with mild weather.

While most operating expenses were below budget and prior year, maintenance expenses were higher than the prior year by \$323,000 because a large amount of right-of-way trimming was completed during April. For the year, about 45% of the total contracts have been cleared.