South Kentucky RECC
A Touchstone Energy Cooperative

BOARD MEETING SUMMARY July 2026

SKRECC Board of Directors Holds Annual Officer Election

On Thursday, July 9th, Frank Phillips, General Counsel, conducted the election according to SKRECC Bylaw 6.01 and the Board of Directors voted for officers to serve the 2026-2027 term.

Brent Tackett was elected to serve another year as Chairperson. Charles "CV" Hansford was elected as Vice Chair and Tommy Nelson will serve as Secretary/Treasurer during the term which runs from July 2026 through June of 2027.

Board Approves 2026 EKPC Load Forecast

CEO Kevin Newton reported to the directors that each year, EKPC analysts meet with SKRECC staff to discuss our load forecast. The load forecast is an economically driven computer model estimate on how much electricity our system will use based on historical numbers, anticipated new growth, and new loads which we know may be coming. Mr. Newton added that Mrs. Bessinger, SKRECC chief financial officer, uses it to formulate the financial forecast for our RUS loan document.

After discussion, the Board voted unanimously to approve the 2026 EKPC Load Forecast as presented.

Monticello Warehouse Bids Higher Than Anticipated

Newton informed the directors that two companies submitted bids at the end of June for construction of the Monticello warehouse. Both bids were higher than anticipated and will not be accepted. Mr. Newton met with DECO Architects to discuss the removal of certain items which increased the building's cost.

Mr. Newton added that once the plans are adjusted, the low bidder plans to resubmit their bid based on the amended building plans. The Board will then have the option to accept the revised bid or put the amended building plans out for bids once again.

Vision Insurance Option To Be Added to SKRECC Retiree Benefits

Mr. Newton informed directors of his desire to offer the same vision insurance which employees may purchase to SKRECC retirees. Newton added that it would not cost the co-op anything to add this benefit to the retirees' plan beginning in January of 2027 since they would pay 100% of the premium, just like current employees do.

Directors agreed that Mr. Newton should proceed with adding the vision insurance to the retirees' insurance options.

Tornado/Headquarters Cost and Reimbursement Update

Carrie Bessinger, CFO, informed directors that total expenses incurred through May 2026 were $20,754,323, of which $15,354,404 has been reimbursed by insurance. The co-op also received an initial insurance payment of $1,837,016 for contents.

Bessinger added that in addition to insurance funds, we have received $357,472 from FEMA as additional reimbursement for contents. Regular insurance reimbursements are expected for most costs incurred. To date, the only costs incurred that will not be reimbursed by insurance nor covered by FEMA award are $37,237 of employee labor and overhead costs from initial cleanup and relocation to temporary offices.

May Net Margins Show Positive Gain

Mrs. Bessinger reported that May margins without unbilled revenue were a loss of $830,000, lower than budget by $1.2 million and higher than prior year by $787,000. Net margins for the month including unbilled revenue were a gain of $363,000.

Operating expenses were higher than the budget and prior year because of the January ice storm and large windstorm in mid-March. Cost of power for May was lower than the budget by 6% because of a lower-than-expected rate and volume of purchases.