



BOARD MEETING SUMMARY

September 2026

SKRECC Operations Director Addresses Board at September Meeting

On Thursday, September 10th, Roy Bray, SKRECC Director of Operations, updated the Board on multiple ongoing operational projects including right-of-way circuit trimming, circuit spraying, and tree growth regulator application.

He also discussed the expectations for the 2027 right-of-way bid process and answered multiple questions from directors regarding the co-op's six-year circuit trimming rotation and commented that the 4th year spraying of the cut rights of way seems to be working very well.

Mr. Bray also discussed the number of new service connections which are averaging 150 per month; an increase over the average of 143 per month completed during 2025. Pole replacements resulting from the attachment work done for Charter and Windstream total around 2,200 currently with more to come based on rumors of extra Charter work to be scheduled in early 2027.

Newton Provides Headquarters Construction Update

CEO Kevin Newton reported that construction remains on schedule to be completed on the first of November and added that another access has been cut into the road for the drive-through lanes to exit. Electrical has been connected to the new building and work has begun to complete the HVAC.

Mr. Newton added that he met with a group of his executive team members to develop a plan for moving personnel into the new building once it is completed. Personnel and equipment move-in will commence following furniture installation which is scheduled to begin on November 2nd and take a couple of weeks.

July Net Margins Very Close to Monthly Budget Projections

CFO Carrie Bessinger reported that July margins were close to budget for revenue and better than prior year. Net margins without unbilled revenue were a loss of \$127,000 and net margins including unbilled revenue were a loss of \$111,000. For the year, net margins with unbilled revenue are a gain of \$302,000 and a gain of \$1.6 million without unbilled revenue; lower than the budget by \$2.5 million and better than the prior year by \$6 million.

July sales were comparable to budget and higher than the prior year. Cost of power was higher than budget because of increased kWh purchases and lower than the prior year.

Operating expenses were below the budget for the month due to a variety of factors but mainly related to the increase in capital work rather than expensed maintenance. Transportation expenses continue to be higher than budget and prior year totals due to increased repairs and fleet insurance costs.

General Counsel Updates Board on Closings on Auctioned Property

Frank Phillips, General Counsel, reported that the real estate closings on the farm property which was auctioned in June are proceeding slower than he anticipated.

The second batch of lien releases were signed and recorded at the Pulaski courthouse on Wednesday, September 9th and closing is set for next week. Mr. Phillips added that the third and fourth sets of lien release documents are expected to arrive soon.

Phillips Reports on 2027 Director Election Preliminary Work

Mr. Phillips reported that the Credentials & Elections Committee met on August 19th, officers were appointed for the current year, and members were updated on plans for the 2027 director election. Mr. Phillips and Mrs. Turpin will be touching base with Survey & Ballot Systems soon and finalizing the candidate application packet materials.