

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

**REGULAR BOARD MEETING**

**DECEMBER 19, 2024**

**Call to Order:** Chairman Danny Wallen called the regular board meeting to order at 10:00 a.m.

**Invocation:** Director Jim McKenzie asked for any spoken prayer requests and then gave the invocation.

**Quorum:** Those present for today's meeting were the following: Chairman Danny Wallen, Vice-Chairman Greg Davis, Secretary James Vanhooose, Velma May, Jim McKenzie, Gary Francis, Jason Holbrook, Attorney Mike Schmitt, President & GM Jeff Prater, Sandra Shepherd, Robin Slone, Judy McClure, Kirby Castle, Adam Ferguson and Will Hayes.

**Safety Moment:** VP of Operations Kirby Castle gave the Safety Moment for the meeting. Fire Safety was the topic. Holiday decorations can be festive but become a fire hazard if not used properly. Kirby mentioned to turn off your lights when you are gone from home or go to bed, keep your live tree watered because it can dry out and become a fire hazard, also don't overload your extension cords and outlets. Especially important, if you have children or pets, is to avoid having decorations that are small, sharp or breakable or that contain toxic substances, such as mistletoe, holly berries and artificial snow.

GM Jeff Prater told the board that the RECC employees had not had a Lost Time Accident since 8/30/21. Our employees have worked 279,825 hours as of 12/10/24 without a Lost Time Accident. He stated that when we reach the 300,000-hour mark, without a Lost Time Accident, we will have some special appreciation for our employees.

**FIQB: Approve Minutes**

Chairman Danny Wallen addressed the board for the approval of the November 21, 2024, board minutes. Hearing no objections, changes or additions, Mr. Wallen stated the minutes would stand as prepared.

**NIQB: EKPC Report**

Chairman Danny Wallen addressed the board to report the EKPC board meeting issues. EKPC still has great equity at 21% and their October margin was \$4.8 million below budget.

He mentioned that EKPC is trying to keep all the energy savings incentives for members scheduled. Other business addressed was the 2025 financial work plan and budget, their load forecast for 2025-2039 and another topic of discussion was Power Delivery winter readiness. The Engineering contract for the planned new combined cycle generating unit at Cooper Station was discussed.

### **NIOB: KEC Report**

Vice-Chairman Greg Davis gave his report of the KEC board meeting that was held on December 17<sup>th</sup>. Greg reported that KEC's margins are at \$16.5 million. Transformer sales are down in 2024, but the new warehouse renovations are underway in Pennsylvania, and he mentioned the Alabama warehouse is 57,000 square feet.

GM Jeff Prater mentioned that the Statewide Safety Manual is finished, all but a few topics that coops will make 'our own.'

Kirby Castle told the board that KEC has really helped our coop with their Northwestern College Lineman Program and their Modules for training.

### **NIOB: Attorney Report**

Attorney Mike Schmitt stated he had nothing to report, and the board was happy to hear that!

### **NIOB: Departmental Reports**

GM Jeff Prater addressed the board regarding the Departmental reports. Jeff asked the board if it was permissible to dismiss with the reading of the departmental reports, for time's sake and just ask the staff any questions they might have. Kirby was asked where we were with the Green Valley Road project. Kirby stated that he had met with the contractor on Rt. 460 and approximately 75% of the ROW was cut. He was also asked about the new Mountain parkway extension to Prestonsburg, asked where the new lines might be located. They all discussed the areas of new extensions: State Road Fork, Station Branch and Dolly Dotson, among a few.

### **NIOB: Manager's Report**

#### **Rate Case Update**

GM Jeff Prater addressed the board with the update of our Rate Case. He reported that the PSCs 3<sup>rd</sup> request questions and the Attorney General's 2<sup>nd</sup> requests were due tomorrow (12/20/24) and John Wolfram would finish what questions he had and then submit the answers.

Jeff did also inform the board that Big Sandy had received a public hearing date of February 18<sup>th</sup>, 2025, at 9:00 a.m. at Frankfort.

Jeff is thinking we shouldn't get many more questions, if any. He expects that we should get most of what we asked for and the Customer Charge of \$29.

Delayed Mail - GM Jeff Prater then spoke to the board about the delay in the electric bills. Jeff told the board that Adam called NISC about our bills and he was told that some were mailed December 4<sup>th</sup> and everything was gone by the 6<sup>th</sup>. The postal service is very short-handed and apparently, they held back some of the packages, Robin Slone stated. Jeff said that we will have to waive the late fees for those not receiving a bill. Adam mentioned that need to advertise all electronic forms of paying a bill, so some will realize their options. Also, LIHEAP crisis will begin January 6<sup>th</sup>, and some members might even be late on purpose in order to get that late bill from Big Sandy and get assistance with their bill.

## **NIOB: Informational Items**

### **2025 NRECA PowerExchange / Atlanta, Georgia / March 7-12**

It was mentioned to the board about attending the PowerExchange in March. No one desires to attend.

## **NIOB: New Business**

### **Approve Federated Insurance Increase for 2025**

GM Jeff Prater addressed the board regarding the increase from Federated Insurance for 2025. The 2025 quote is \$138,617 for the yearly premium. They said this was a 4% increase, but as Sandra and Jeff calculated it, it is actually a 6% increase. This covers everything; including \$3 million for Directors, Officers and Managers Liability and \$2 million Cyber (the most we can obtain); part of this premium is for Big Sandy Forestry because it is a subsidiary of Big Sandy RECC.

Chairman Danny Wallen addressed the board for motions to approve this quote. Gary Francis and Jason Holbrook made motions. All votes were unanimous.

### **Approve 2025 Inventory Report**

GM Jeff Prater reported to the board that the Inventory Report is really good at a .17% of Accuracy; with a \$4,528.87 Dollar Difference. The Physical Accuracy totaled \$580,668.53 and the Perpetual Inventory Book Value on 10/16/23 was \$576,139.66. All these totals are acceptable amounts set by RUS Guidelines. Jeff proposed for the board to approve. Chairman Danny Wallen looked for motions to approve. Greg Davis made a motion, and Jason Holbrook seconded the motion. All votes were favorable.

### **Approve 2025 Budget**

GM Jeff Prater and Accounting Manager Robin Slone addressed the board for the approval of the 2025 Budget as prepared.

GM Jeff Prater stated that this Budget gives us a healthy margin with the estimated Rate Increase being added on in March or April, it would give us a good year. GM Jeff Prater said this adds \$190k to the ROW budget, and after April or May and the Rate Case ends, we could decide what and where it can be added to the ROW. Jeff is hoping that we can once again get to cutting the ROW at 120 or 130 miles a year. He feels that R&H Construction can achieve that.

### **Approve 2025 Pay Increase**

GM Jeff Prater addressed the board regarding the 2025 Pay Increases for the non-union employees. Jeff has studied and figured on this so much and still concludes; he wants to give all non-union employees a 3% cost of living raise. The union employee's contract is good through 12/31/2025 and they will receive a \$1 per hour raise, effective 1/1/2025; which is built into the budget. Jeff has three (3) exceptions: (1) he would like to give Kelly Jude, our Prestonsburg Office Member Service Representative an extra \$1 per hour because she opens and closes that office and is totally responsible for that office. She has performed exceptionally well from the beginning of being hired in September of 2022 at Big Sandy. She has also trained another MSR and shown great responsibility taking care of this office; (2) he would like to give Lisa Arms an extra \$1 per hour because with Nathan Frisby retiring, Lisa will have more responsibility with Mapping and Dispatch; (3) Jeff would like to increase the pay of part-time, Dispatcher Operations Assistant Betty Castle from \$27.79 to \$31 per hour. Part-time GIS Dispatcher Operations Clerk, Nathan Frisby made

\$32 an hour. Jeff knows that these three employees have more responsibility on them due to us not replacing Nathan. The job description of Kelly Jude, or the person in her position at the Prestonsburg Office, will be revised to list the extra job duties that this requires.

Chairman Danny Wallen asked the board for motions to approve these 2025 pay increases, effective 1/1/2025. Greg Davis made a motion and Jim McKenzie seconded. All votes were unanimous.

### **Wholesale Power Contract**

GM Jeff Prater addressed the board about the Wholesale Power Contract with East Kentucky Power Cooperative. The Board of Directors of EKPC approved the adoption of Amendment 5 to the 1964 Wholesale Power Contract between it and Big Sandy RECC, in the course of its regular meeting held on November 21, 2024, in Winchester, Kentucky. Under the terms of Amendment 5, the WPC would be extended from the current termination date of January 1, 2051, to a new termination date of January 1, 2068. The updated termination date of the WPC is the only change presented to Amendment 5. Basically, this WPC states that Big Sandy RECC will purchase 100% of the power needed from East Kentucky Power Cooperative.

Jeff presented the documentation that Big Sandy RECC Chairman and Secretary needs to sign. Attorney Mike Schmitt was asked if this was the right thing to do and he responded that this is the best cost deal, there's no better deal. We have no choice in his opinion. A board member asked if there was an emergency and we couldn't get power from EKPC, what would we do? Jeff explained that there is an inter-connection agreement between EKPC and AEP to help and supply the power we need.

Chairman Danny Wallen addressed the board for motions to sign this Wholesale Power Contract. Jim McKenzie made a motion to approve, and James Vanhoose seconded, and all votes were unanimous. All documentation was signed and will be mailed to EKPC.

### **Approve Right of Way Spray Bids**

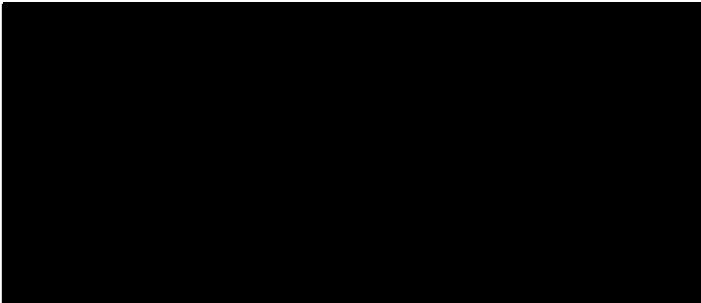
Chairman Danny Wallen looked to the board for approval of the Right-of-Way Spray Bids. GM Jeff Prater told the board that on December 2, 2024, the bid was opened in the presence of Director Jim McKenzie, Jeff Prater, Kirby Castle, Will Hayes and Judy McClure. This bid was from ProtecTerra, bidding 240 miles at a total price of \$113,760.00. Just after opening this bid, the mail ran, and we received another bid. This bid was from Progressive Solutions, bidding 240 miles at a total price of \$150,000. Comparing the two companies and knowing the work ethic of ProtecTerra and them giving a much lower price; the chosen spray bid should be awarded to ProtecTerra stated GM Jeff Prater. Motions to approve the ROW Spray bid to ProtecTerra were made by Greg Davis and seconded by Jim McKenzie. All votes were unanimous.

### **Approve R&H Construction Contract Extension**

GM Jeff Prater addressed the board to propose a 3.5% overall increase averaged between all departments and employees of R&H Contracting.

Attorney Mike Schmitt reviewed the existing contract amendment, and it complies with the revised Bidding Policy #300-181. GM Jeff Prater told the board that Tim Robinson, owner/operator of R&H Contracting stated that he needs a 4.5% increase. At the November board meeting the board discussed this with Jeff and said for Jeff to try and negotiate a 3 – 3.5% increase. Jeff explained that Tim needed a 4.5% increase for his Groundmen. Jeff took the Labor Pricing and came to an average percentage raise to propose 3.5% to all other pricing and 4.5% to Groundmen. This would calculate to \$10 a week per employee per week. This would pay per hour but convert to by mile. All questions were discussed thoroughly. Chairman Danny

CAPITAL CREDITS

<u>MEMBER</u>	<u>SPOUSE, LEGAL REPRESENTATIVE OR ADMINISTRATOR(S)</u>	<u>AMOUNT</u>
		\$ 900.88
		\$ 606.20
		\$ 429.86
		\$ 113.70
		\$ 20.38
		\$ 257.66
	\$ 1050.13	
<b>Total</b>		<b>\$ 3,265.11</b>

11/4/2024

# NEW MEMBERSHIP REPORT

Account Name Service Address

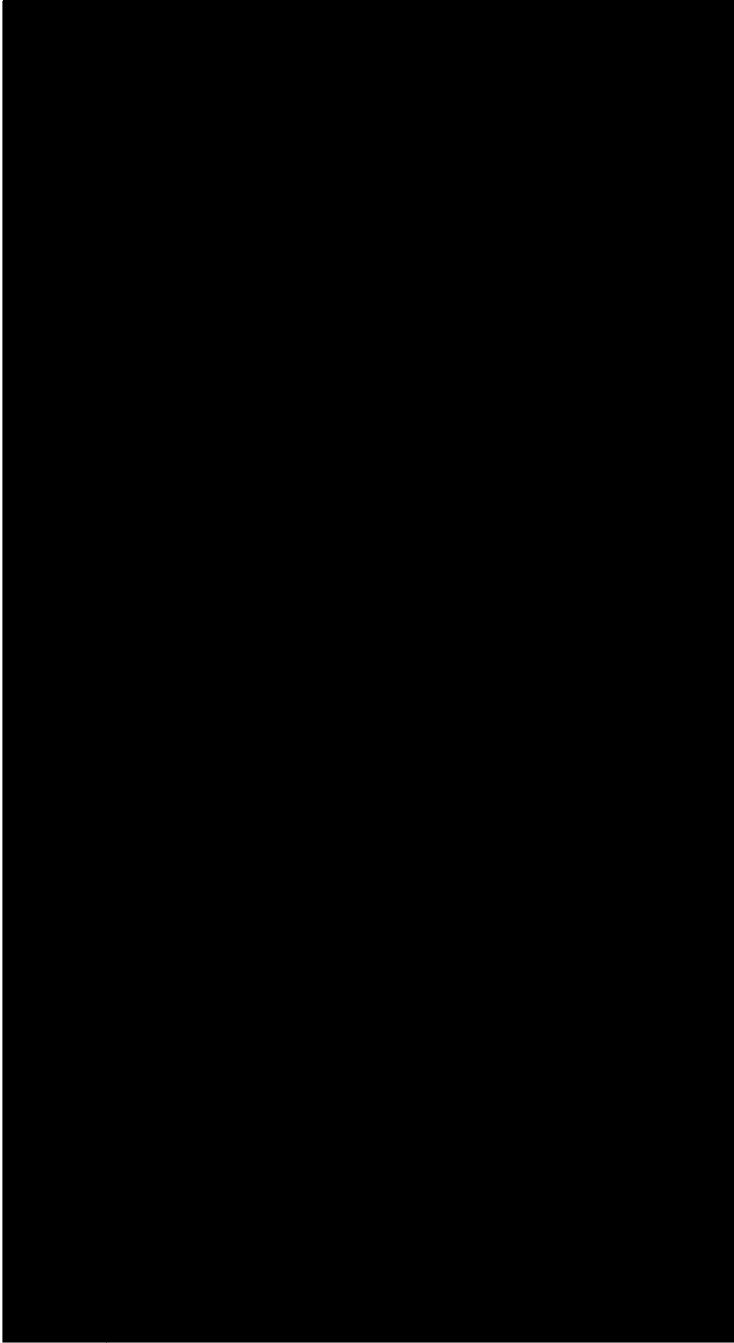
Service City	Service ZIP	Locat	Membership Date
PRESTONSBURG	41653 FL		11/4/2024
ALLEN	41601 FL		11/4/2024
BLUE RIVER	41607 FL		11/5/2024
PRESTONSBURG	41653 FL		11/6/2024
VAN LEAR	41265 FL		11/6/2024
RANSOM	41558 FL		11/11/2024
GARRETT	41630 FL		11/12/2024
PRESTONSBURG	41653 FL		11/13/2024
HUEYSVILLE	41640 FL		11/14/2024
DWALE	41621 FL		11/18/2024
PRESTONSBURG	41653 FL		11/18/2024
MARTIN	41649 FL		11/19/2024
MARTIN	41649 FL		11/20/2024
PRESTONSBURG	41653 FL		11/20/2024
PRESTONSBURG	41653 FL		11/21/2024
PRESTONSBURG	41653 FL		11/25/2024
PRESTONSBURG	41653 FL		11/25/2024
PRESTONSBURG	41653 FL		11/26/2024
PAINTSVILLE	41240 JO		11/4/2024
STAFFORDSVILLE	41256 JO		11/4/2024
PAINTSVILLE	41240 JO		11/7/2024
THELMA	41260 JO		11/12/2024
THELMA	41260 JO		11/12/2024
FLATGAP	41219 JO		11/12/2024
KEATON	41226 JO		11/13/2024
BOONS CAMP	41204 JO		11/14/2024
THELMA	41260 JO		11/18/2024
SITKA	41255 JO		11/18/2024
STAFFORDSVILLE	41256 JO		11/19/2024
FLATGAP	41219 JO		11/19/2024
PAINTSVILLE	41240 JO		11/21/2024
THELMA	41260 JO		11/25/2024
RIVER	41254 JO		11/26/2024
GARRETT	41630 KN		11/4/2024
RIVER	41254 LA		11/14/2024
INEZ	41224 MA		11/18/2024

TOTAL \$900.00

**WRITTEN OFF ACCOUNTS**

**9/3/24-10/3/2024**

**27 Accounts Totaling \$6762.92**

<u>NAME</u>	<u>ADDRESS</u>	<u>DATE</u>	<u>AMOUNT</u>
		9/16/24	\$ 363.87
		9/03/24	\$ 759.98
		9/16/24	\$ 107.52
		9/16/24	\$ 173.42
		9/4/24	\$ 3.64
		9/16/24	\$ 375.84
		10/03/24	\$ 456.01
		9/30/24	\$ 138.75
		9/18/24	\$ 551.84
		9/16/24	\$ 192.12
		9-16-24	\$ 199.88
		9/06/24	\$ 170.26
		9/04/24	\$ 337.42
		9/16/24	\$ 44.05
		9/10/24	\$ 798.92
		9/16/24	\$ 328.25
		10/01/24	\$ 13.70
		9/16/24	\$ 401.31
		9/9/24	\$ 27.20
		9/16/24	\$ 61.99
		9/05/24	\$ 33.53
		9/16/24	\$ 166.22
		9/12/24	\$ 39.83

Attachment "D"



9/05/24	\$ 78.62
9/3/24	\$ 45.53
9/16/24	\$ 361.42
9/03/24	\$ 531.80



DIRECTOR MEETING ATTENDANCE REQUEST FORM

ATTACHMENT FOR POLICY #400-040

NOTE: No Cooperative member or other person, including the attorney or other authorized in writing representative of a member or other person, may attend a meeting of the Board of Directors unless this request form is completed and express approval for such attendance is thereafter allowed.

Full Name: Nathan Ray Frisby

Address: [Redacted]
Staffordsville, KY 41256

Telephone Number: 606-793-2218

(If this request is also for and on behalf of others, set forth on a separate sheet their full names, addresses and telephone numbers and attach the same hereto.)

Are you a member? Yes Yes No

Identify the matters to be presented to the Board of Directors (be specific): Policy Statement #400-009 Sec. II
Line item D. Must not be an employee of or employed by the cooperative within the last
(7) years.

State the purpose or purposes for requesting such attendance (be specific) Request the change or
elimination of limitation contained in the Policy listed above. The fact this even restricts part time
employees. I retired in January 2021 and returned by request.

State names, addresses and telephone numbers of any person (s) you desire to attend the Board meeting with you
and describe their status - whether they are a Cooperative member, your attorney or other:

DATE: 11-25-24 SIGNATURE: Nathan Frisby

ACTION ON REQUEST (Completed by Board or designate)

Board of Directors voted to approve Mr. Frisby
to attend the January 2025 Board Meeting

DATE OF ACTION 12-19-2024 SIGNATURE: J.M. Prater

# INVENTORY 2024

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10/17/2023 through 11/14/24

PHYSICAL INVENTORY                   \$       **580,668.53**  
ACTUAL COUNT 10/16/23

PERPETUAL INVENTORY               \$       **576,139.66**  
BOOK VALUE 10/16/23

2024 DOLLAR DIFFERENCE

**\$4,528.87**

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THE PERCENTAGE OF ACCURACY AND THE TOTAL COUNT OF BOTH SHORTAGES  
AND OVERAGES ARE ACCEPTABLE AMOUNTS SET BY RUS GUIDELINES

\$ 576,139.66	
0.17	PERCENT OF ACCURACY
<hr/>	
\$ 4,528.87	ACCURACY
<hr/>	
\$ 580,668.53	

Wallen looked to the board for motions to approve GM Prater's proposal of 3.5% overall increase averaged between all departments and employees. James Vanhooose made a motion and Gary Francis seconded. All votes were unanimous.

#### **Approve Big Sandy Forestry, LLC Contract Extension**

GM Jeff Prater addressed the board to propose an Amendment to the existing Line Clearance contract with Big Sandy Forestry, LLC. GM Prater proposed a 3% price increase for the Big Sandy Forestry for the term of one year, expiring 12/31/2025. GM Prater explained how the billing is created and the difference between the actual payroll rate per hour and the company billing rate per hour. He also explained that Big Sandy RECC would purchase any needed equipment and Big Sandy Forestry pays BSRECC back. BSF also pays that initial \$300k loan to Big Sandy RECC.

GM Prater explained that as each employee obtains more experience, that supervisor would evaluate them and submit the evaluation for their increase in pay. These figures are already in the budget. He answered each and every question the board asked of him.

Chairman Danny Wallen addressed the board for a motion to approve GM Prater's proposal of an amendment to the contract with a 3% price increase. Velma May made a motion and James Vanhooose seconded. All votes were favorable.

#### **Approve Revision of Policy #100-055; Insurance and Benefits**

Regarding Policy #100-055; Insurance and Benefits; includes a coverage Waiver that states that if you have other health insurance and you waive the company health insurance with Big Sandy, your pay would be increased by \$1.50 per hour. This revision proposes that instead of the \$1.50 per hour in wages, the employees would receive \$120 every two weeks (every payday) if they are not using our health insurance. This would be a much cleaner statement in the policy. Chairman Danny Wallen looked to the board for motions to approve this revision. Jason Holbrook made a motion to approve, and Gary Francis seconded the motion. All votes were unanimous.

#### **Approve Request to Appear before the Board**

GM Prater addressed the board to inform them that retiree Nathan Frisby had requested in writing (form in Policy #400-040) to appear before the board regarding the changing of the Bylaws and Big Sandy RECC policy # 400-009; Section II, Item D. The board asked Attorney Mike Schmitt to give his advice regarding this and Attorney Schmitt did. Motions to approve Mr. Frisby to appear before the board were made by Gary Francis and Greg Davis. All votes were favorable. Chairman Danny Wallen stated that Mr. Frisby may appear before the board at the January 23, 2025 board meeting.

#### **Resuming the Big Sandy RECC board meeting at 12:01 P.M.**

#### **NIOB: Other Business**

#### **Capital Credits**

All applications for Capital Credit refunds were approved by Attorney Mike Schmitt. James Vanhooose and Gary Francis made motions to approve the report. All votes were favorable.

**New Membership Reports**

All New Memberships were reviewed. Gary Francis and Velma May made motions to approve. All votes were favorable.

**Written Off Accounts**

Chairman Danny Wallen addressed the board for approval of the Written Off Accounts. James Vanhoose and Greg Davis made motions to approve. All votes were favorable.

**Per Diem and Mileage**

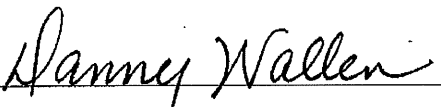
The Per Diem and Mileage was approved by motions by Greg Davis and Jason Holbrook. All votes were unanimous.

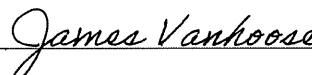
**NIOB: Executive Session**

Chairman Danny Wallen asked for any need of an Executive Session and the board and GM Prater stated no need for Executive Session.

**NIOB: Adjourn**

With all items discussed, Chairman Danny Wallen addressed the board for any other items to discuss and hearing none, the meeting adjourned at 12:10 P.M.

  
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*Chairman Danny Wallen*

  
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*Secretary James Vanhoose*