

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

REGULAR BOARD MEETING

NOVEMBER 21, 2024

Call to Order: Chairman Danny Wallen called the meeting to order at 4:00 P.M.

Invocation: Director Jim McKenzie gave the invocation after hearing spoken prayer requests.

Quorum: Those in attendance were Chairman Danny Wallen, Vice Chair Greg Davis, Secretary James Vanhoose, Velma May, Jim McKenzie, Gary Francis, Jason Holbrook, Attorney Mike Schmitt, President & General Manager Jeff Prater, Kirby Castle, Adam Ferguson, Robin Slone, Natasha Wiley, Will Hayes and Judy McClure.

Safety Moment: VP of Operations Kirby Castle gave the Safety Moment over Carbon monoxide poisoning. Kirby reminded everyone that it is known as the silent killer because it is hard to detect because you can't smell it or see it. Early symptoms of carbon monoxide poisoning are nausea, headaches, dizziness, sore throat or cough and abdominal pain. A quick test to see if someone is experiencing carbon monoxide poisoning is to get them outside into the fresh air and symptoms should begin to disappear.

FIOB: Approval of Minutes

Everyone reviewed the October board meeting minutes. Chairman Danny Wallen looked to the board for any objections, additions or changes to the minutes and hearing none, he stated the October board minutes would stand approved.

The Special Call Board Meeting minutes on **November 6, 2024**, were reviewed. Chairman Danny Wallen addressed the board for any changes, additions, or objections to the minutes. Hearing none, Chairman Wallen stated the minutes would stand approved.

NIOB: EKPC Report

Chairman Danny Wallen and GM Jeff Prater decided to show the board the Power Pulse presentation made by East Kentucky Power. Member Service Manager Shae Phillips narrated this presentation. The Power Pulse presentation showed the board East Kentucky Power's plans for the Cooperative and plans for several major capital projects that could receive \$679 million dollars in New ERA Grants.

Plans for transmission upgrades to improve reliability and reduce their carbon footprint. Plans for Cooper Station where the use of Combined Rice Engines will be installed. Plans in Liberty Station at Casey County for Solar Panels. Plans to use diesel as a back-up. East Kentucky seems to be moving from coal to more gas and solar energy. EKPC hopes to be the "Anchor Customer" helping pipelines. Shae reported on the Economic Development in Kentucky and EKPC's Strategic Planning stating that Safety is essential and "is just the right thing to do."

Chairman Danny Wallen gave the financial report; stating that EKPC equity is still at 21.7%. He also mentioned the new potential Data Center Plant. Danny mentioned that PJM should increase to 48 Gigawatts by 2030!

The presentation was highly informative and should make everyone feel confident in EKPC with their plans.

NIOB: KEC Report

Vice Chairman Greg Davis informed the board that they didn't have a November board meeting. However, KEC had a Fall Manager's Meeting that GM Jeff Prater attended. Jeff told the board that Charter and Windstream have the Pole Attachment Case reared up again.

NIOB: Attorney Report

Attorney Mike Schmitt addressed the board regarding an Indemnity Clause. The Green Valley Road Project doesn't really have an Indemnity Clause in it, but it probably should have. He said it needed to be added to their Commercial Insurance Plan, in case of a claim of any kind. So, for the future, Attorney Schmitt said that we need the addition of an Indemnity Clause in all contracts.

NIOB: Departmental Reports

Accounting and Finance

Robin Slone addressed the board with the figures for the month. The Forecast margin showed a profit of \$360k, but that shouldn't be a positive figure, but it is derived from the budget that listed an active Crypto Mine and a Rate Increase; both of which are not active yet.

However, the Daily Liquidity Fund has a balance of \$2.5 million. GM Jeff Prater also reported that we possibly have \$6 million left on the existing CWP, and maybe later in Spring 2025 we can use then.

Billing & IT

Adam Ferguson addressed the board and gave the report of the cash received and through which avenue. He also gave the IT report, stating that he is trying to move away from Suddenlink to possibly go to T-Mobile. The latest Apple update is: 18.1

Adam answered questions about AI, which is becoming dominant across the country, which can be dangerous in some ways.

Member Service

Natasha Wiley addressed the board and gave her report of activities for the month.

James Vanhooose asked about the **Kids Matter** account. Member Service Manager Natasha Wiley explained how the balance is divided. Jeff and Natasha had just been looking at this and they explained that this account is a donation account from employees and directors. Whatever is donated, the coop

matches that amount and then divides that into the five High Schools in our territory. This year each High School in Johnson, Floyd, Martin, Lawrence and Knott will receive \$559 each.

Operations Construction Report

Kirby Castle reported to the board the work completed through construction, engineering and meter work.

Right-of-Way Reports

Electrical Engineer Will Hayes gave the ROW reports to the board. The year-to-date total spent on ROW is at 1,230,422. Seventeen miles (of the fifty-one miles) of the Whitehouse circuit has been done. The ROW pie chart shows 71% Bid work. Will answered all questions asked of him.

Big Sandy Forestry

Will continued by giving the Big Sandy Forestry monthly report of work completed, which cost \$33k. GM Jeff Prater then gave the financial report showing a net income of \$6900. GM Jeff Prater also mentioned that Big Sandy RECC will need to approve a Big Sandy Forestry contract extension.

Outages

Kirby proceeded to give the Outage reports and said that squirrels are so aggravating! Kirby stated that he finally got the permit to do the work at Middlecreek. The board asked Kirby if Pike Electric gives him a report of their work accomplished, daily or weekly? Kirby said no, but they do keep in contact with him, and he could get that information.

NIOB: Manager's Report

GM Jeff Prater informed the board that he, Robin and Natasha attended in person an informal conference with the Ky PSC in Frankfort, and Judy attended virtually. The Attorney General Angela Goad, commissioners and some employees from the PSC, John Wolfram, Attorneys Alyson Honaker and Brittany Koenig were in attendance. Jeff felt this went well as John Wolfram was able to explain the coop model to them, showing the need for our rate increase. We have completed two rounds of questions from the PSC and one round of questions from the Attorney General, but Jeff expects more questions from the PSC. Jeff told the board that Licking Valley is a little ahead of us with their rate case, so Jeff follows their case to maybe help us see what might be asked of us.

NIOB: Informational Items

2025 NRECA Power Exchange Conference

GM Jeff Prater mentioned the 2025 NRECA Power Exchange Conference to the board so if anyone wanted to attend, we could schedule that. This would be in Atlanta, Georgia. No one confirmed attendance at this time.

Christmas Food City Gift Cards

Jeff told the board that we would be getting Christmas Food City gift cards for everyone as we have every year. They are \$75 each.

New Business: Approve CRC Voting Delegate & Alternate

At this time, GM Jeff Prater addressed the board regarding a Voting Delegate and an Alternate Delegate for the 2025 CRC Board of Directors election. CRC is our Cooperative Response Center, and he feels it's good to be a part of this organization/cooperative. Chairman Danny Wallen looked to the board for motions to appoint a Voting Delegate and Alternate. Jim McKenzie made a motion to keep them the same: Jason Holbrook as Voting Delegate and Gary Francis Alternate. Velma May seconded the motion. All votes were favorable.

Spray Bid Openings

GM Jeff Prater informed the board that we would have Spray Bid Openings on Monday, December 2, 2024. We would need a board member to attend. Jim McKenzie said he could be here. This would be at 10:00 a.m. on December 2, 2024.

Budgeted Pickup Truck

At this time, GM Jeff Prater had three bids for pickup trucks to decide upon. These pickup trucks are in the Budget. Bids received were the following: \$58,990 Dutch Ishmael, \$65k Bachman and \$64,800 Pops Chevrolet. It was decided and agreed upon unanimously to choose the truck from Dutch Ishmael at \$58,990.

EKPC Wholesale Power Contract

GM Jeff Prater addressed the board regarding the **EKPC Wholesale Power Contract**. After much discussion at East Kentucky Power, the EKPC Wholesale Power Contract (through 2068) was passed. Now Big Sandy RECC would need to agree to approve this contract as well because Big Sandy owns 1/16th of EKPC. This will be brought to the board at our December meeting.

NIOB: New Business

Approve Procurement / Bidding Policy #300-181

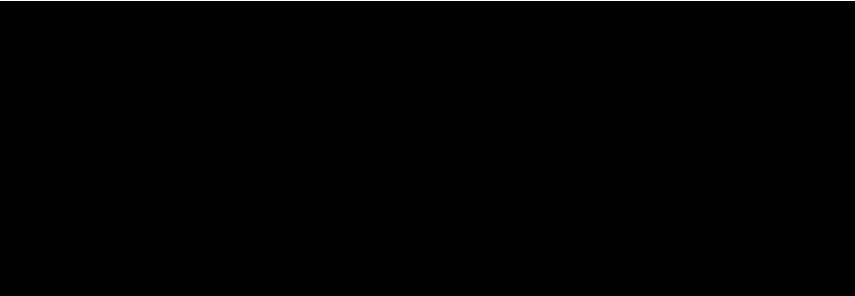
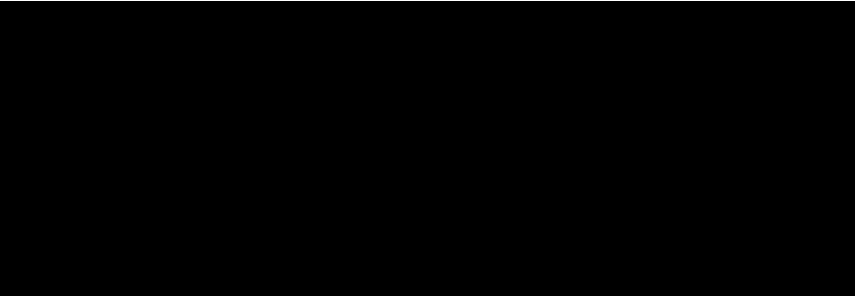
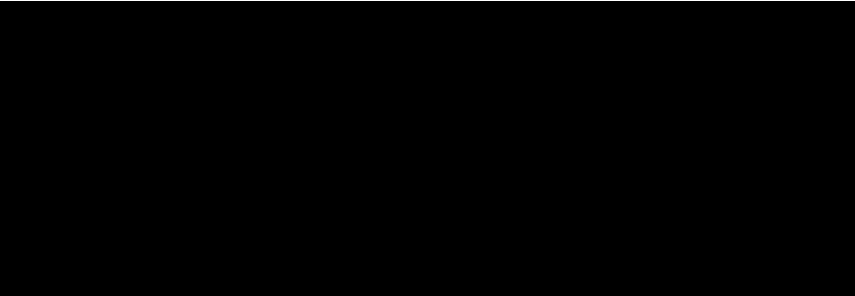
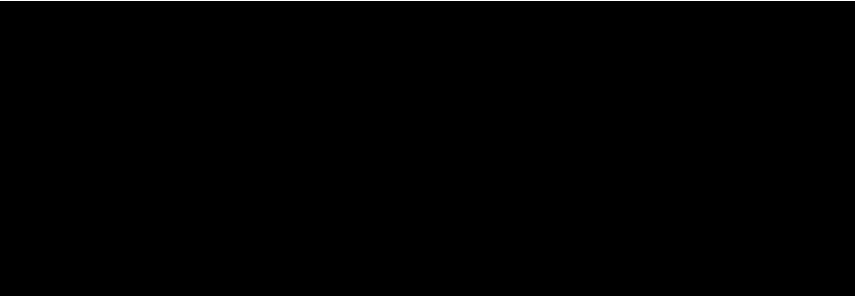
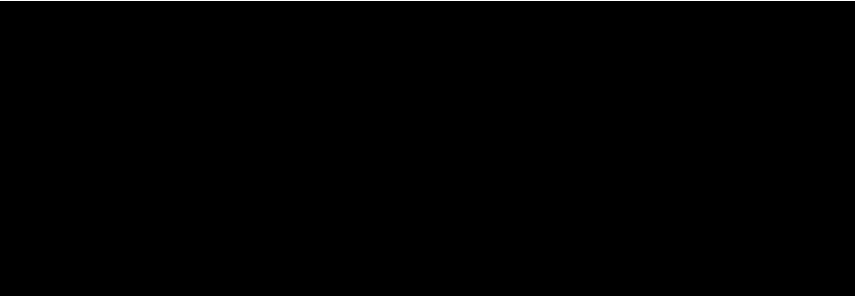
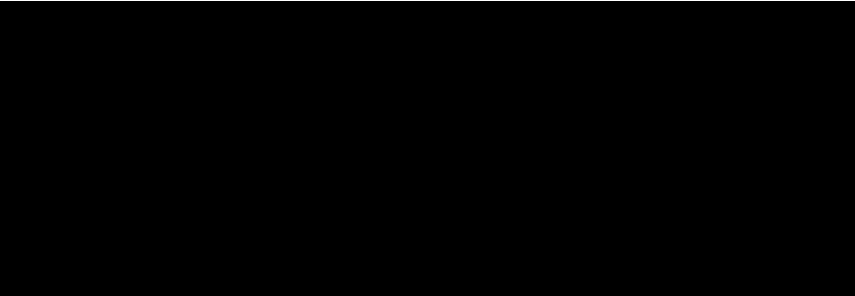
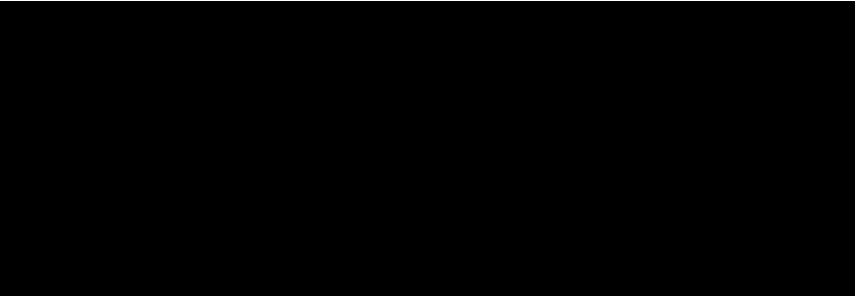
Regarding the revision of Policy #300-181; Attorney Mike Schmitt has researched and evaluated our policy for procurements and what is normal for State procurement; they take bids every year. Our policy governs these large contract items and/or contracts. GM Jeff Prater and Attorney Schmitt have discussed the purpose of revising this policy being the proposing to extend the R& H Construction and Big Sandy Forestry contracts with a COLA and to update the Threshold Amount that requires Big Sandy to enter a formal bidding process. Jeff informed the board of the R&H Construction contract and the dates and rates we're at, at this point. Jeff stated that R&H had asked for a 4.5% COLA.

Attorney Schmitt gave the board possible Policy revisions to consider regarding the revision of Policy #300-181. One consideration is under the Exceptions of the policy. This would state:

EXCEPTIONS

(c) Recently Bid Products /Services: If a specific product or service was procured through the competitive bidding process within the preceding () months, the same product or service may, with Board approval, be procured from the same supplier of such product or service without competitive bidding so long as any increase in price for such product or service does not exceed

CAPITAL CREDITS

<u>MEMBER</u>	<u>SPOUSE, LEGAL REPRESENTATIVE OR ADMINISTRATOR(S)</u>	<u>AMOUNT</u>
		\$ 927.14
		\$ 338.40
		\$ 924.39
		\$ 460.16
		\$ 974.41
		\$ 348.41
		\$ 532.70
Total		\$ 4,505.61

NEW MEMBERSHIP REPORT

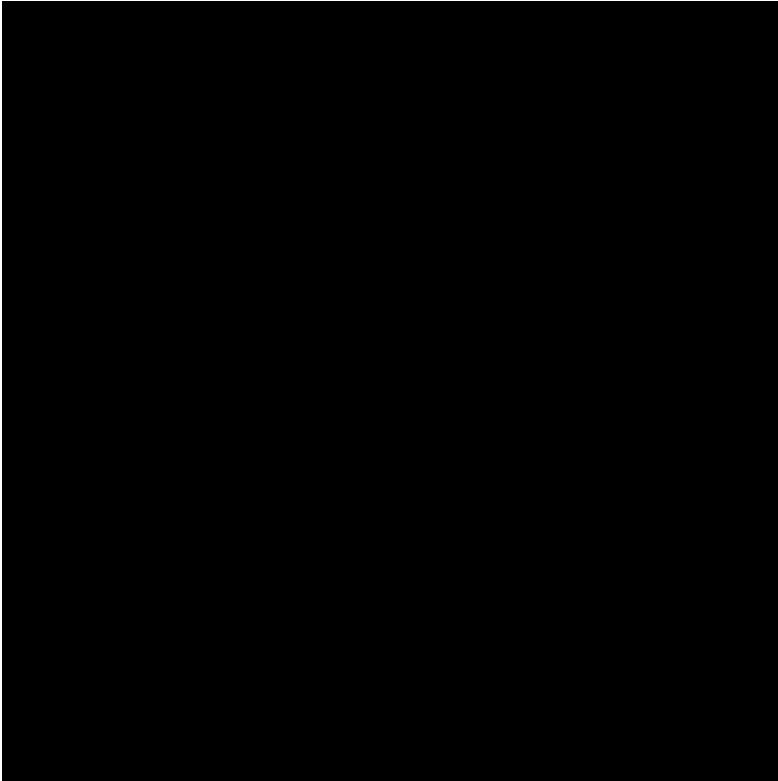
ATTACHMENT "C"

Account Name	Service Address	Service City	Service ZIP	Location County	Membership Date
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/3/2024
[REDACTED]	[REDACTED]	BLUE RIVER	41607 FL		10/7/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/7/2024
[REDACTED]	[REDACTED]	MARTIN	41649 FL		10/10/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/14/2024
[REDACTED]	[REDACTED]	EASTERN	41622 FL		10/14/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/14/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/15/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/17/2024
[REDACTED]	[REDACTED]	MARTIN	41649 FL		10/17/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/21/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/24/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/28/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/29/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/29/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/29/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/30/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/31/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 FL		10/31/2024
[REDACTED]	[REDACTED]	GARRETT	41630 FL		10/31/2024
[REDACTED]	[REDACTED]	PRESTONSBURG	41653 JO		10/3/2024
[REDACTED]	[REDACTED]	STAFFORDSVILLE	41256 JO		10/3/2024
[REDACTED]	[REDACTED]	FLATGAP	41219 JO		10/3/2024
[REDACTED]	[REDACTED]	OIL SPRINGS	41238 JO		10/3/2024
[REDACTED]	[REDACTED]	SITKA	41255 JO		10/7/2024
[REDACTED]	[REDACTED]	PAINTSVILLE	41240 JO		10/7/2024
[REDACTED]	[REDACTED]	STAFFORDSVILLE	41256 JO		10/7/2024
[REDACTED]	[REDACTED]	THELMA	41260 JO		10/7/2024
[REDACTED]	[REDACTED]	SITKA	41255 JO		10/8/2024
[REDACTED]	[REDACTED]	HAGERHILL	41222 JO		10/9/2024

WRITTEN OFF ACCOUNTS

7/24/2024 Through 9/1/2024

13 Accounts Totaling \$ 2084.68

<u>NAME</u>	<u>ADDRESS</u>	<u>DATE</u>	<u>AMOUNT</u>
		8/13/24	\$ 127.34
		8/19/24	\$ 25.52
		8/21/24	\$ 55.24
		8/12/24	\$ 238.75
		8/19/24	\$ 12.15
		8/27/24	\$ 23.39
		9/1/24	\$ 17.63
		7/24/24	\$ 799.22
		8/13/24	\$ 238.32
		8/29/24	\$ 177.28
		8/19/24	\$ 45.20
		8/13/24	\$ 121.92
		8/13/24	\$ 202.64

the original contract price by more than ____%. Therefore, the board decided to approve 24 months and 7% for this exception.

The Threshold amount was proposed to be increased to \$40,000; but items costing \$39,999.99 or less would not require a formal bidding process.

After much discussion, Chairman Danny Wallen addressed the board to approve the Policy #300-181 with these revisions:

- 1) The Threshold ceiling would be at \$40k
- 2) Exceptions for recently bid products/services to be at 24 months with the increase in price not exceeding the original contract price by more than 7%.

Motions were made to approve these revisions by Greg Davis and Jason Holbrook. All votes were unanimously approved. Jeff Prater and Kirby Castle will talk with Tim Robinson, owner/operator of R&H Construction to negotiate a 3.5% COLA.

Big Sandy Forestry, LLC Contract Extension

GM Jeff Prater addressed the board to discuss a contract extension with the Big Sandy Forestry, LLC.

Jeff proposed: a 3% increase in contract/billing rate price, a 3% increase for employee's wages and an increase in the retirement for the BSF employees as follows: BSF would contribute 4% to their 401k and would match 2% if the employee would contribute 2% (Cost would be \$40k clear for the year). Jeff desires to help the employees build their retirement plan.

No action was taken at this time but will be brought back for approval at the December board meeting.

Approve Performance & Safety Bonus

GM Jeff Prater addressed the board to approve an Employee Performance & Safety Bonus, as discussed in the November board meeting. A \$400 bonus was suggested for each employee and Jeff would like to give this in the first week of December. Motions by Jason Holbrook and Greg Davis were made to approve the \$400 bonus to employees. All votes were unanimous.

NIOB: Other Business

Capital Credits

Attorney Mike Schmitt reviewed and approved all seven applications for Capital Credit refunds, totaling \$4505.61. Chairman Wallen looked to the board for motions to approve. James Vanhose made a motion and Velma May seconded. All votes were favorable.

New Membership Report

The board reviewed all New Memberships and they were approved with motions by Gary Francis and Jason Holbrook. All votes were favorable.

Written Off Accounts

The Written Off Accounts were approved with motions by James Vanhooose and Jim McKenzie. All votes were favorable.

Per Diem and Mileage

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

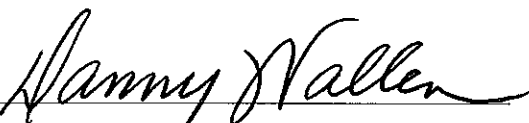
NIOB: Executive Session

Chairman Danny Wallen addressed the board to move into Executive Session. He also reminded everyone of the confidentiality of this information. The meeting adjourned to Executive Session at 6:37 P.M. with motions from Velma May and James Vanhooose. All votes were favorable.

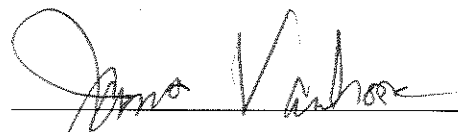
With all items addressed, a motion to adjourn back into regular session was made by Greg Davis. Motion was seconded by Jim McKenzie and the meeting adjourned to regular session at 6:59 P.M.

NIOB: Adjourn

Chairman Danny Wallen addressed the board for any other items to discuss. Hearing none, he stated the meeting would be adjourned at 7:00 P.M.



Chairman Danny Wallen



Secretary James Vanhooose

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

SPECIAL CALL BOARD MEETING

NOVEMBER 6, 2024

VIRTUALLY AND IN PERSON @ 11:00 a.m.

Call to Order: Chairman Danny Wallen called the meeting to order.

Quorum: Those present in person were the following: President & General Manager Jeff Prater, Director Velma May, Director Gary Francis, Sandra Shepherd, Robin Slone, Kirby Castle, Plant Accountant Megan VanHoose, Electrical Engineer Will Hayes and Judy McClure. Those attending virtually were Danny Wallen, Greg Davis, James Vanhoose, Jim McKenzie, Jason Holbrook, Attorney Mike Schmitt and Eric Ratliff, Executive Director with Big Sandy Area Development.

FIQB: GM Jeff Prater addressed everyone with a Safety Moment about it beginning to get dark early in the evening. Everyone needs to pay close attention while driving in the evenings since it is darker earlier. An abundance of deer is usually around this time of night and can do some real damage to a vehicle, even injure the travelers.

NIOB: Invocation

Director Jim McKenzie gave the invocation.

NIOB: Discussion to Approve Contractor for Green Valley Road Project

GM Jeff Prater addressed the board regarding the approval of a contractor for the **Green Valley Road Project**. This agenda item was tabled because the board desired to know more about the company, **C. W. Services**, who submitted a substantially low bid for this project. Their bid was less than half of another bid received and almost two-thirds less than another. So, due to this, the board wanted more information on the company. Director James Vanhoose did give the board some information on the company that was good to know. C. W. Services' men had been working in the south due to the Hurricane that hit recently. The owner desired to bring his employees home, and he told the boss to secure the bid for the Green Valley Road Project. VP of Operations Kirby Castle and Electrical Engineer Will Hayes called the boss, and they confirmed the bid that was submitted to Big Sandy RECC was legitimate. The company is in good standing with the Secretary of State, has connections with CSX from Texas to Maine and owns their own supply company. This helps the materials to be purchased at wholesale cost. Also, they will be cutting their own right-of-way on this project because they had inquired to a company about cutting the right-of-way and they would've charged over \$100k.

Kirby and Will agreed that C. W. Services is a competent company to get the project done and they feel the bid is legitimate.

Director Jason Holbrook asked if there was any clause in the contract so if we were not satisfied with their work, could we hold their payment until it was finished properly. Eric Ratliff confirmed that a retainer of 10% would be held until the final inspection was done.

Big Sandy RECC is to receive a Performance Bond and Finance Manager Robin Slone stated that we had already received the Certificate of Liability Insurance naming Big Sandy RECC as the Certificate Holder. This certificate shows coverage for Workers Compensation, Commercial Liability, Automobile Liability

and Umbrella Liability. We also received the Bid Security check in the amount of \$8,273.61. Attorney Mike Schmitt will review all documents regarding the contract with C. W. Services and all documents with the Green Valley Road Project to make sure they are legal and will protect Big Sandy RECC from any liability.

This project will be funded by Federal, State and Local. Based on the C. W. Services Bid of \$165,472.29, Federal will pay \$148,925.06, State \$ 7,942.67 and Local (Big Sandy) will pay \$ 8,604.56.

This project should take between six and eight weeks to complete, allowing forgiveness due to rain and snow events.

Eric Ratliff stated that Big Sandy will issue a Notice of Award to C. W. Services and construction would begin in a few weeks. GM Jeff Prater looked to the Chairman to address the board for motions to approve the C. W. Services as the contractor for Green Valley Road Project.

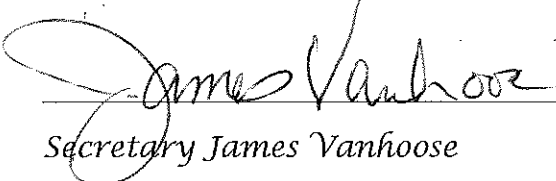
NIOB: Approve Contractor for Green Valley Road Project

Chairman Danny Wallen asked the board if anyone had any other questions to ask, or comments regarding this. Hearing none, Chairman Wallen asked for motions to approve C. W. Services as the contractor for the Green Valley Road Project. Directors Jim McKenzie made a motion and James Vanhooose seconded. All votes were unanimous to approve Bid and award the contract to C. W. Services.

Adjourn: Having no other discussion, Chairman Danny Wallen addressed the board to adjourn from this Special Call Board meeting at 11:23 a.m. Vice Chairman Greg Davis made a motion to adjourn, and Gary Francis seconded. All votes were favorable and there was no further discussion or action.



Chairman Danny Wallen



Secretary James Vanhooose