

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

REGULAR BOARD MEETING

OCTOBER 24, 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 request.

Quorum: Those present for today's meeting were the following: Chairman Danny Wallen, Vice Chairman Greg Davis, Secretary James Vanhoose, Velma May, Jim McKenzie, Gary Francis, Jason Holbrook, Attorney Mike Schmitt, President & General Manager Jeff Prater, Sandra Shepherd, Kirby Castle, Adam Ferguson and Judy McClure. Also in attendance was Eric Ratliff, Executive Director of Big Sandy Area Development, to dispense the documentation for the Green Valley Road Project.

Safety Moment: Line Superintendent Kirby Castle gave the Safety Report. Kirby reported that our employees had worked 201,401.5 hours since the last Lost Time Accident on 8/30/2021. GM Prater told the board that for recognition of this 3-year milestone, he wants to plan a get-together with all the employees to recognize this amazing event. We might possibly have lunch for all the employees and get a special T-shirt to show their appreciation. This is a remarkable thing that our forty-three employees worked at such dangerous jobs and even office jobs where accidents could happen very easily, without any incident.

Several things were mentioned regarding safety. Jeff talked about special tools like pole-saws that could be especially important for preventing an accident while cutting right-of-way. Also, with Halloween coming soon, remember to be prepared with bright, reflective costumes and use reflective tape so kids will be seen easily. Slow down and be aware; stay off your cell phone. Greg Davis mentioned some things as well.

FIOB: Approval of Minutes

Chairman Danny Wallen looked to the board for approval of the September board minutes. With one word revised, the board all agreed that the minutes would stand approved as prepared.

NIOB: New Business: Approval of Green Valley Road Project Contractor

GM Jeff Prater addressed the board for approval of the contractor for the **Green Valley Road Project**. Jeff and Kirby evaluated the complete cost to be approximately \$300k, with \$100k estimated for materials. There will be seventeen, 3-phase poles set.

The bids were mailed out and three were received today, October 24, 2024, and opened in the presence of Director Gary Francis.

C. W. SERVICES submitted a Lump sum Bid of \$165,472.29.

PRAXELL submitted a labor and materials bid of \$346,011.52.

SERVICE ELECTRIC submitted a bid of \$422,923.74.

GM Prater said he felt the CW Service's bid was concerning because it was half the total of another bid that came in, especially with the estimate that he and Kirby had come to. The middle bid from Praxell was more practical. The board discussed this in great detail. They unanimously agree to get more information on C. W. Services. James Vanhoose then spoke up and gave more information on this company. He knows of the company and the boss. They have been working the Hurricane storm down south, they employ two hundred men and have use of one hundred trucks. The reason they submitted such a low bid was because the owner told the boss to submit a low bid so they could bring their employees home! Due to such a low bid, GM Prater asked if the board would table the decision until we could investigate the company's integrity and work ethic and have a virtual special board meeting to decide. Greg Davis made a motion to Table the item and Jim McKenzie seconded. All votes were unanimous.

NIOB: Approval of Minutes

Chairman Danny Wallen addressed the board for the approval of the September board minutes, With the correction of one word, the board unanimously agreed to approve the minutes as prepared.

NIOB: EKPC Report

Chairman Danny Wallen gave his report from the East Kentucky Power board meeting. The equity was standing strong at 21.1%. They did have a \$3.7 million margin loss.

Chairman Wallen stated that this month's discussion about the Wholesale Power Agreement was discussed in great detail. The current contract should end in 2051, but they were discussing approving an extension to get a loan until 2068. Attorney Mike Schmitt spoke to the board and explained what the Amendment proposal meant because he was in the meetings back in 2018. The Amendment was struck down in 2018. The Amendment 5 means that all electric power must be purchased from EKPC. At this time, David Samford proposed the Amendment 5 for approval. Each coop would need to vote; but the Amendment 5 does not require each member coop to approve because of majority rules. If approved, we'd need to sign a new contract, of course.

NIOB: KEC Report

KEC didn't have a monthly meeting, but GM Prater attended the Fall Manager's Meeting. Jeff said they reported on all the storm aid given to the Flood victims (caused by the Hurricane).

NIOB: Attorney Report

Attorney Mike Schmitt was happy to report that he didn't have anything to report.

NIOB: Departmental Reports

Accounting - GM Prater gave the accounting report in the absence of Robin Slone. September margins were at a loss of -\$220,536, however, we have a forecast margin profit of \$307,793 for 2024. The month ended with a cash flow surplus of \$80,712. The storm on 9/27/24 due to the high winds caused outages which could estimate between \$150k-\$200k. Hopefully, some will be FEMA reimbursed. TIER is at .13. KWH sales are extremely low.

Billing - Adam Ferguson gave the Billing report. The processing of billing work revealed Automated at 57% and Employee at 43%. Total cash received was \$2,043,835.64 and GM Prater stated that if we had a \$3 million month, that would put us in a much better position financially.

IT - Adam continued and gave the IT report. He completed the PCI compliance for 2024-2025. He is still in T-Mobile negotiations, trying to get away from Suddenlink.

Member Service Department - GM Prater gave the Member Services report in the absence of Natasha Wiley. He reported that she had been working on the options of an online proxy for the 2025 Annual Meeting registration. He reported that she had been working on the Rate Case and maintenance and updates to the website.

Operations Reports

VP of Operations Kirby Castle gave the reports of the Construction, Retirements, Meter department and Engineering for the month. Kirby answered all questions asked of him.

Right-of-Way Reports

GM Prater asked Will Hayes, our new Electrical Engineer, to give all the Right-of-Way Reports this month. Will reported on the bid work at the Tiger Mart area of circuit #287. R&H Construction worked all twelve miles of this circuit, with an estimated cost of \$ 9551.98 per mile, totaling \$114,263. Big Sandy Forestry worked on a new service in Redbush and worked at Sugar Plum and also, worked storm work; all totaling a cost of \$37,164. Our total spent for Right-of-Way this year is at \$1,116,003.46.

Big Sandy Forestry, LLC Financial Statement

GM Prater gave the report of the BSF financial statement. At month end of September, BSF showed net income of \$10,878.92, but this doesn't include a payoff for truck work completed by the BS RECC mechanic. Also, GM Prater reminded the board that RECC needs to negotiate a new contract with BSF at the end of the year. Kirby mentioned that they're wanting a new pole saw which costs approximately \$3k.

Outages - Kirby Castle gave the report on Outages. He gave the reports of our Storm work, Dotson branch, Emma and Bill Wells substation. The most outages were at the Thelma substation and the most minutes out were at the Thelma substation. As usual, the cause of most outages was due to maintenance.

NIOB: Manager's Report

Rate Case - GM Prater reported to the board about our timeline for the Rate Case. He reported that we had submitted the first round of questions to the PSC, and thought we would receive questions from the AG anytime. We have received the Procedural schedule. March 31, 2025 is a set aside date; April

possible (6 months timeline). Licking Valley RECC is a month or two in front of us, so we are following their questions just to see examples of their answers.

SURE— GM Prater then addressed the board to tell them about a change to the SURE/ACRE donations we have contributed to in the past. They are renaming it: KEC-PAC and the money would be used in the state. They are wanting it all payroll deducted, \$4.16 each paycheck- \$8.32 of each per diem. The board was very positive about this change.

NIOB: Informational Items

November Board Meeting will be **Thursday, November 21, 2024, at 4:00 P.M.**, due to the Thanksgiving Holiday.

NIOB: New Business

Discuss R&H Construction Contract Extension

GM Prater addressed the board about the R&H contract extension. GM Prater showed the board a comparison of the work by R&H in 2023 and 2024. In 2023, R&H cut 84.67 miles, costing \$830,793.21 which is \$9,812.13. In 2024, through September, cut 59.41 miles, costing \$702,264.41 which is \$11,820.64 per mile. GM Prater stated that he had not received the request for the cost-of-living adjustment from Tim Robinson, the owner, yet, but felt he would have it before the next board meeting. GM Prater asked our Attorney, Mike Schmitt about company policy regarding negotiating a contract extension with R&H. Chairman Danny Wallen mentioned another contact to check with.

Approve Resolution 2024 Load Forecast

GM Prater addressed the board regarding the 2024 Load Forecast. He showed the board a report and explained EKPC's forecast for purposes of planning. Showed a PEAKS Summary and separated Clouder Power. He explained that every two years we need a Forecast approved and he read the Resolution. Chairman Danny Wallen asked for motions to approve the Resolution. Jim McKenzie made a motion to approve, and Jason Holbrook seconded. All votes were favorable.

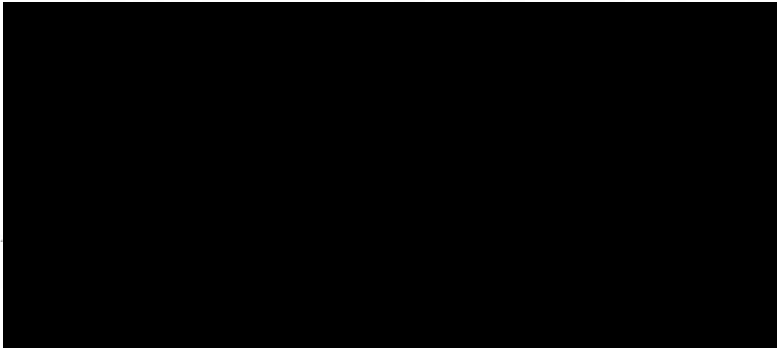
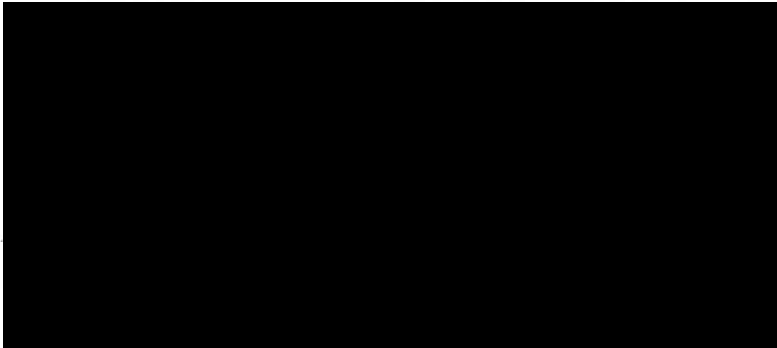
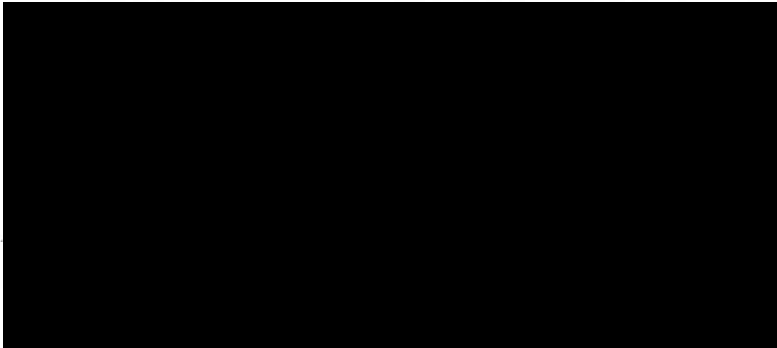
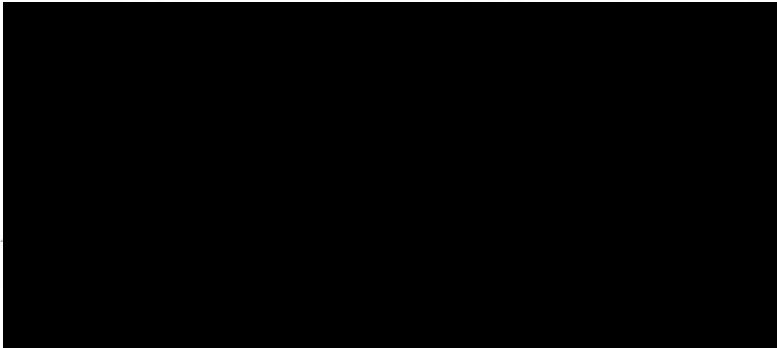
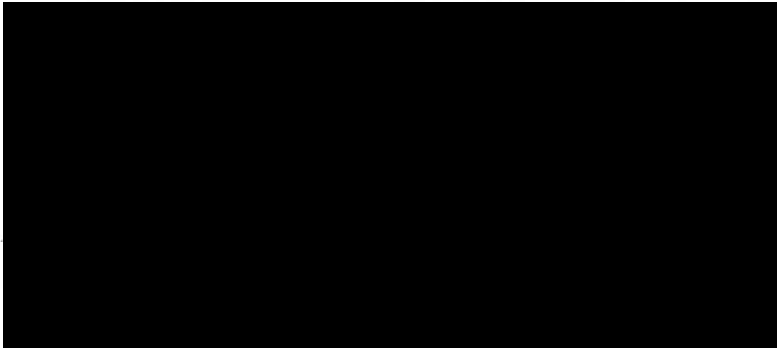
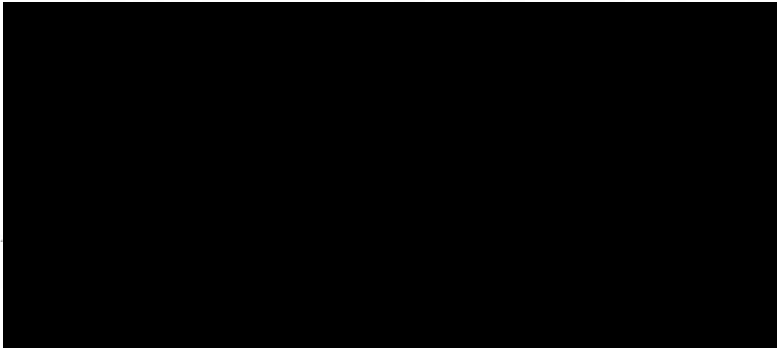
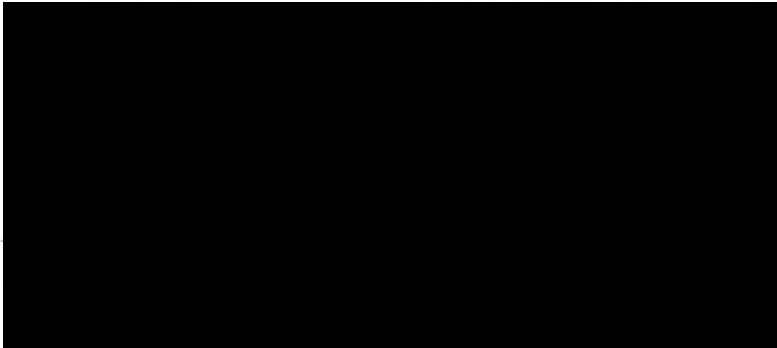
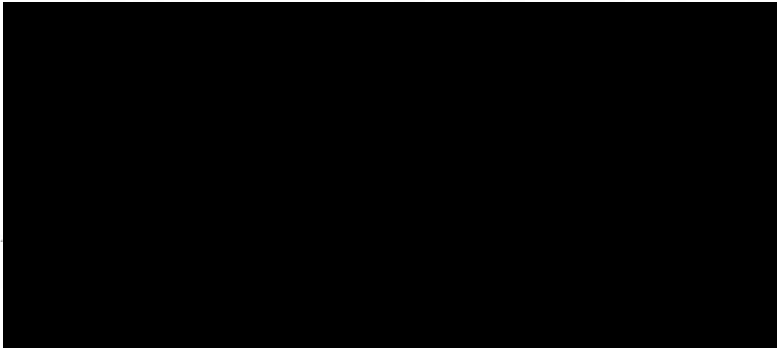
Approve Job Descriptions

GM Prater asked for approval of another set of job descriptions that were revised and updated. These were the following: P/T MSR, P/T Custodian, P/T GIS Coordinator/Dispatcher, P/T Dispatcher/Operations Assistant, GIS Coordinator/Dispatcher/Operations Clerk, Plant Accountant, Safety & Loss Control and Member Services Manager. Velma May brought attention to, and it was discussed that the requirement of at least eight years' experience of the Plant Accountant be specific to FEMA. Chairman Danny Wallen asked for motions to approve these job descriptions. Velma May made a motion and Greg Davis seconded. All votes were favorable.

NIOB: Other Business

Capital Credits – Attorney Mike Schmitt reviewed all eight applications totaling \$4,435.82. Jim McKenzie made a motion and Greg Davis seconded. All votes were unanimous.

CAPITAL CREDITS

<u>MEMBER</u>	<u>SPOUSE, LEGAL REPRESENTATIVE OR ADMINISTRATOR(S)</u>	<u>AMOUNT</u>
		\$ 1087.14
		\$ 266.16
		\$ 1097.37
		\$ 176.42
		\$ 538.02
		\$ 171.05
		\$ 1057.90
		\$ 41.76
Total		\$ 4,435.82

NEW MEMBERSHIP REPORT

SEPTEMBER 2024

52 NEW MEMBERS



Martin	Floyd Co.
East Point	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Eastern	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
East Point	Floyd Co.
Prestonsburg	Floyd Co.
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Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Prestonsburg	Floyd Co.
Tutor Key	Johnson
Van Lear	Johnson
Flat Gap	Johnson
Boonscamp	Johnson
Flat Gap	Johnson
Stambaugh	Johnson
Boonscamp	Johnson
Lowmansville	Johnson



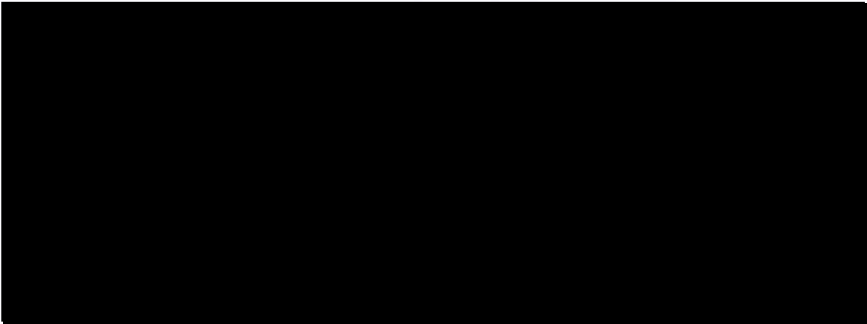
Staffordsville	Johnson
Sitka	Johnson
Van Lear	Johnson
Flat Gap	Johnson
Sitka	Johnson
Oil Springs	Johnson
Flat Gap	Johnson
Staffordsville	Johnson
Flat Gap	Johnson
Sitka	Johnson
Thelma	Johnson
Stambaugh	Johnson
Flat Gap	Johnson
Hagerhill	Johnson
Boonscamp	Johnson
Thelma	Johnson
Boonscamp	Johnson
Staffordsville	Johnson
Jackson	Knott
Garrett	Knott
Inez	Martin
Tomahawk	Martin
Tomahawk	Martin
Inez	Martin
Tomahawk	Martin
Inez	Martin

WRITTEN OFF ACCOUNTS

7/8/24 – 8/5/24

21 Accounts Totaling \$ 3560/66

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>DATE</u>
		\$ 1.37	7/25/24
		\$ 416.47	8/1/24
		\$ 290.16	8/1/24
		\$ 56.36	7/8/24
		\$ 49.89	7/29/24
		\$ 82.86	7/29/24
		\$ 22.78	7/9/24
		\$ 50.60	7/29/24
		\$ 796.24	8/5/24
		\$ 242.60	7/11/24
		\$ 52.49	7/11/24
		\$ 198.11	7/11/24
		\$ 66.52	7/29/24
		\$ 74.21	8/5/24
		\$ 54.93	8/1/24
		\$ 148.72	7/11/24
		\$ 362.18	7/25/24



\$ 109.59

7/2/24

\$ 85.33

7/15/24

\$ 29.63

7/11/24

\$ 369.62

8/5/24



**Big Sandy Rural Electric
Cooperative Corporation**

504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

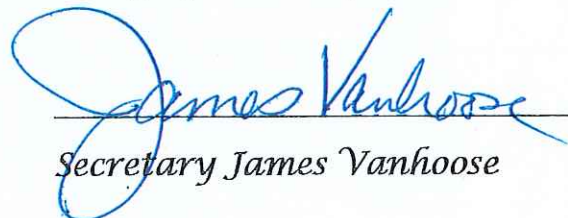
mark.mefford@ekpc.coop
Emailed 10/28/24
JMcClure

RESOLUTION

WHEREAS the 2024 LOAD FORECAST has been prepared by East Kentucky Power Cooperative (EKPC) using an end-use model, with full participation of Big Sandy Rural Electric Cooperative Corporation Manager and Staff;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves the 2024 Load Forecast for us in the FOUR-YEAR WORK PLAN, FINANCIAL FORECAST and other studies, and as part of the EKPC Load Forecast.

I, James Vanhose, Secretary of Big Sandy Rural Electric Cooperative do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of Big Sandy Rural Electric Cooperative Corporation held on October 24, 2024, at which meeting a quorum was present.


Secretary James Vanhose

New Memberships – All New Memberships were reviewed, and Gary Francis made a motion to approve. Jason Holbrook seconded, and all votes were favorable.

Written Off – All Written Off were reviewed. Motions were made by James Vanhooze and Velma May to approve. All votes were unanimously approved.

Per Diem - Greg Davis made a motion to approve and Jason Holbrook seconded. All votes were favorable.


NIOB: Executive Session


Chairman Danny Wallen addressed the board for a motion to move into Executive Session at 6:41 P.M. Greg Davis made a motion and Gary Francis seconded. All votes were unanimous.

With all items addressed, and no other discussion needed, Chairman Danny Wallen asked for motions to adjourn back to regular session. Gary Francis made a motion and Velma May seconded. All votes were favorable, and the Executive Session ended at 7:14 P.M.

NIOB: Adjourn

Chairman Danny Wallen asked for any other discussions and hearing none, the meeting was adjourned at 7:15 P.M.


Chairman Danny Wallen


Secretary James Vanhooze