

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

REGULAR BOARD MEETING

MARCH 27, 2025

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

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

Quorum: Those present for the 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 & General Manager Jeff Prater, Robin Slone, Kirby Castle, Adam Ferguson, Judy McClure, Natasha Wiley and CPA Travis Frick with Jones, Nale & Mattingly, PLC.

Safety Moment: Kirby Castle gave the Safety Moment regarding Tick Season.

FIOB: Approve Audit Report

At this time, Travis Frick with Jones, Nale & Mattingly addressed the board to give their Independent Audit Report for 2024.

Mr. Frick went over the complete Audit report with the board and answered all questions directed to him, stating Big Sandy Rural Electric Cooperative Corporation has a clean audit for the year ending December 31, 2024, and 2023.

The Independent Auditor's Report Opinion stated:

Jones, Nale & Mattingly audited the accompanying consolidated financial statements of Big Sandy RECC and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2024, and 2023, and the related consolidated statements of revenue and comprehensive income, changes in members' equities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statement referred to above present fairly, in all material respects, the financial position of Big Sandy Rural Electric Cooperative Corporation and Subsidiary as of December 31, 2024, and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Chairman Danny Wallen looked to the board to approve the Audit as presented. James Vanhooose made a motion and Jason Holbrook seconded. All votes were unanimous.

NIOB: Approval of Minutes

Chairman Danny Wallen addressed the board for approval of the minutes of the February 2025 board meeting as prepared. Hearing no changes or additions, the minutes would stand approved as prepared.

NIOB: EKPC Report

Chairman Danny Wallen then gave his report from EKPC. EKPC has set new record peaks for power demand during each of the past three winters. EKPC proposed several projects to increase or protect generating capacity. These projects currently are under review by the PSC. GM Prater stated that EKPC employee Julie Tucker was on the PSC stand for over five hours, answering questions from the commissioners and from organizations such as the Sierra Club. Mr. Wallen said that AI was also discussed. GM Prater then explained the program of Captive insurance. Captive insurance is a long-term alternative to traditional insurance, providing a mechanism to finance self-insured risks. EKPC is exploring captive insurance due to steeply rising costs in recent years to cover unit outages. Financially, the January margin was \$5.9 million above budget, and equity is at 20.4%.

NIOB: KEC Report

Vice-Chairman Greg Davis gave the report from KEC. Mr. Davis stated that KEC's financial report reviewed year-to-date product sales compared to their budget. They discussed the potential purchase of the Virginia warehouse, with the authorization amount of \$100k. The CEO Appraisal was discussed in Executive Session.

NIOB: Attorney Report

Attorney Mike Schmitt stated his report would be discussed in the Executive Session.

NIOB: Departmental Reports

GM Prater stated that regarding the departmental reports, since they were keyed to the Call to Order, feel free to ask the staff any questions you may have concerning their departmental reports.

Accounting Manager Robin Slone summarized the accounting report. We still have outstanding invoices to be paid to mutual aid crews for the last storm. We have paid three contractors so far. Financial figures revealed a margin loss of \$6620, TIER of 1.16 and cash flow for the year is at

CAPITAL CREDITS

<u>MEMBER</u>	<u>SPOUSE, LEGAL REPRESENTATIVE OR ADMINISTRATOR(S)</u>	<u>AMOUNT</u>
[REDACTED]	[REDACTED] (Administrator)	\$ 1250.51
	[REDACTED] (Legal Rep)	\$ 1055.99
	[REDACTED] (Spouse)	\$ 1286.24
	[REDACTED] (Spouse & Executor)	\$ 356.07
	[REDACTED] (Spouse)	\$ 1115.33
Total		\$ 5,064.14

NEW MI P REPORT
FEBRUARY 2025

ATTACHMENT "C"

Account	Name	Service Address	Service City	Service ZIP	Locatic Membership Date
			PRESTONSBURG	41653 FL	2/3/2025
			EASTERN	41622 FL	2/3/2025
			PRESTONSBURG	41653 FL	2/3/2025
			PRESTONSBURG	41653 FL	2/3/2025
			PRESTONSBURG	41653 FL	2/3/2025
			MARTIN	41649 FL	2/4/2025
			PRESTONSBURG	41653 FL	2/6/2025
			PRESTONSBURG	41653 FL	2/10/2025
			PAINTSVILLE	41240 FL	2/10/2025
			HUEYSVILLE	41640 FL	2/10/2025
			PRESTONSBURG	41653 FL	2/10/2025
			BLUE RIVER	41607 FL	2/12/2025
			HUEYSVILLE	41640 FL	2/12/2025
			PRESTONSBURG	41653 FL	2/12/2025
			PRESTONSBURG	41653 FL	2/19/2025
			PRESTONSBURG	41653 FL	2/19/2025
			DAVID	41616 FL	2/20/2025
			PRESTONSBURG	41653 FL	2/25/2025
			PRESTONSBURG	41653 FL	2/26/2025
			BLUE RIVER	41607 FL	2/26/2025
			SITKA	41255 JO	2/3/2025
			STAFFORDSVILLE	41256 JO	2/3/2025
			PAINTSVILLE	41240 JO	2/3/2025
			STAFFORDSVILLE	41256 JO	2/4/2025
			FLATGAP	41219 JO	2/6/2025
			THELMA	41260 JO	2/6/2025
			OFFUTT	41240 JO	2/10/2025
			SITKA	41255 JO	2/10/2025
			SITKA	41255 JO	2/12/2025
			SITKA	41255 JO	2/13/2025
			STAFFORDSVILLE	41256 JO	2/13/2025
			FLATGAP	41219 JO	2/19/2025
			THELMA	41260 JO	2/19/2025
			FLATGAP	41219 JO	2/19/2025
			FLATGAP	41219 JO	2/25/2025
			PAINTSVILLE	41240 JO	2/25/2025
			FLATGAP	41219 JO	2/26/2025
			RIVER	41254 LA	2/25/2025
			RIVER	41254 LA	2/25/2025
			ULYSSES	41264 LA	2/27/2025
			INEZ	41224 MA	2/24/2025
			INEZ	41224 MA	2/27/2025

WRITTEN OFF REPORT

December 9, 2024 – January 2, 2025

26 Accounts Totalling \$ 2430.67

NAME	ADDRESS	AMOUNT	DISCONNECT DATE
		\$ 47.70	01/01/2025
		\$ 83.26	01/01/2025
		\$ 45.61	01/01/2025
		\$ 7.37	12/05/2024
		\$ 60.36	12/09/2024
		\$ 270.25	12/23/2024
		\$ 38.08	01/01/2025
		\$ 125.79	12/30/2024
		\$ 21.77	12/12/2024
		\$ 23.21	01/01/2025
		\$ 103.77	12/03/2024
		\$ 200.80	01/02/2025
		\$ 58.74	12/04/2024
		\$ 125.72	12/10/2024
		\$ 94.78	12/30/2024
		\$ 95.50	12/17/2024
		\$ 103.79	12/09/2024
		\$ 191.24	01/01/2025
		\$ 235.04	01/01/2025
		\$ 77.09	12/30/2024
		\$ 81.76	01/01/2025
		\$ 5.65	01/01/2025
		\$ 3.06	12/03/2024

Kendra Short-002
Danny E. Spears
Emogene Ward

263 Osborn Br., Prestonsburg
4876 Tomahawk Rd., Tomahawk
413 Cow Crk., #9, Prestonsburg

\$ 283.50
\$ 43.30
\$ 3.53

12/03/2024
01/01/2025
12/12/2024

Attachment "D"

Attachment "D"

WRITTEN OFF REPORT

November 5, 2024- December 2, 2024

15 Accounts Totaling: \$10,366.84

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>DISCONNECT DATE</u>
		\$ 251.35	11/13/2024
		\$ 6089.86	11/12/2024
		\$ 1836.87	11/12/2024
		\$ 11.73	11/18/2024
		\$ 84.04	11/14/2024
		\$ 247.74	11/13/2024
		\$ 133.40	11/13/2024
		\$ 530.67	11/13/2024
		\$ 96.29	12/02/2024
		\$ 74.04	11/12/2024
		\$ 540.41	11/21/2024
		\$ 240.22	11/13/2024
		\$ 191.97	11/13/2024
		\$ 8.85	11/11/2024
		\$ 29.40	11/05/2024

\$802k. We sold 1.1 million kWh more than budgeted for the month. Year-to-date we sold 5.7 million more than budgeted for.

Adam Ferguson mentioned the mail situation and said that this month, things have improved.

Natasha mentioned that the online registration is set up and registering by proxy will be accessible. The 2025 annual meeting will be May 8, 2025.

Kirby gave the operation's report and updated everyone that Big Sandy Forestry employee Mason Daniels left the Forestry for a HVAC job closer to his home. Mason knew he was limited in his position because he had a fear of climbing.

Kirby also spoke about the recent worker transitions from Wrights Tree Service to Asplundh.

Kirby updated the board about our new Salt Lick Substation. We are almost finished. The work order is drawn and can start the underground service wire, but then we must wait on the Bill Well's switches to be completed.

NIOB: Manager's Report

President & General Manager Jeff Prater addressed the board about the Rate Case. All post-hearing briefs were submitted on 3/12/25. At the end of our hearing, Commissioner Angie Hatton had said we would get an answer by 3/31/25. As of today, 3/27/25, Jeff said that he expects to know next week what amount we will be given.

NIOB: Informational Items – None

NIOB: New Business

Approve New Chief Financial Officer Job Description

GM Prater addressed the board regarding the approval of the new Chief Financial Officer Job Description. GM Prater developed this job description with the assistance of our Consultant Jonni Hazelrigg. Attorney Mike Schmitt reviewed and added a couple of requirements to the job description as well.

NIOB: Executive Session

At this time, Chairman Danny Wallen addressed the board to move into **Executive Session**. Greg Davis made a motion and Jason Holbrook seconded. All votes were favorable. The meeting adjourned to Executive Session at **5:00 P.M.**

With the issues addressed and discussed, motions were made to adjourn back to the regular session at 5:41 P.M. Jim McKenzie made a motion and James Vanhooose seconded. All votes were unanimous.

NIOB: Regular Session/Approve CFO Job Description

Chairman Danny Wallen asked for approval of the job description for Chief Financial Officer. Jason Holbrook made a motion and Velma May seconded. All votes were unanimously in favor of the approval of the CFO Job Description.

NIOB: Approve Revised Organizational Chart

Chairman Danny Wallen looked to the board for approval to the revised Organizational Chart, adding the new position of CFO that will report directly to the General Manager. Jim McKenzie made a motion to approve the job description. Velma May seconded and all votes were favorable.

NIOB: Approve Attorney Litigation Letters/Pole Attachments

At this time, the board discussed the non-payment of several companies that have not paid their Pole Attachments. Some have contacted Big Sandy to set up payment arrangements, after the first letters were sent out, but some are still delinquent. Greg Davis made a motion and James Vanhooose seconded. All votes were unanimous. The board unanimously approved Attorney Mike Schmitt to send a second letter of pending litigation due to non-payment of Pole Attachments.

NIOB: Change July 2025 Board Meeting

Due to conflicting meetings, GM Prater asked the board to change the July 24th board meeting. After discussing, the board agreed that July 17th would be a good date. Greg Davis made a motion to change the July board meeting to **July 17, 2025, at the regular time of 4:00 P.M.** Velma May seconded the motion and all votes were favorable.

NIOB: Other Business

Capital Credits

Attorney Mike Schmitt reviewed and approved of the Capital Credit applications. Jason Holbrook made a motion to approve the Capital Credit report. Velma May seconded and all votes were favorable.

Expense Report

One expense report in the amount of \$176.93, was submitted for approval from GM Prater when he attended the CFC Meeting. Greg Davis made a motion and Velma May seconded. All votes were favorable.

New Membership Report

The board reviewed the New Membership report, and a motion was made by Gary Francis to approve the report. Greg Davis seconded the motion. All votes were favorable.

Written Off Accounts – February

The Written Off Accounts for February were reviewed. A motion was made by James Vanhooose and seconded by Jason Holbrook. All votes were unanimous.

Written Off Accounts – March

The March Written Off Accounts were reviewed and a motion to approve was made by James Vanhooose. The motion was seconded by Gary Francis and all voted unanimously to approve the Written Off Accounts.

Per Diem and Mileage

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

NIOB: Adjourn

With all items addressed, Chairman Danny Wallen stated the meeting was adjourned at 5:47 P.M.

Danny Wallen Chairman Danny Wallen

James Vanhooose Secretary James Vanhooose

