

OWEN ELECTRIC COOPERATIVE
REGULAR BOARD MEETING

May 25, 2023

PRESENT The regular meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owenton, Kentucky, on May 25, 2023. All Directors were present, along with: Mike Cobb, Teresa Hamilton, Mike Stafford, Jim Petreshock, Brian Jones, Jennifer Taylor, Christel Buffin, and Attorney James M. Crawford. Attorneys Ruth H. Baxter and Jake A. Thompson were present for the executive session with Attorney Michael Owsley, and Attorney Sara Stipkovits of Federated Rural Electric Insurance Exchange.

CALL TO ORDER,
PLEDGE OF ALLEGIANCE
AND INVOCATION

The meeting was called to order, and the Pledge of Allegiance and invocation were given by John Grant and Bob True, respectively.

ADOPTION OF

AGENDA Upon a motion by Charlie Richardson, second by Alan Ahrman, the Board voted unanimously to adopt the May 25, 2023, Board Meeting Agenda as presented.

MINUTES

APPROVED Upon a motion by Eddie McCord, second by Hope Kinman, the April 27, 2023, Regular Board Meeting Minutes were approved as submitted.

SAFETY

MOMENT Mike Cobb gave the safety moment on the need to stay hydrated during hot weather.

MEMBER

CONCERNS None.

NEW MEMBERS

ACCEPTED The Directors then reviewed and accepted the listing of 406 New Members.

REVIEW OF LISTING OF

TERMINATED ACCOUNTS

The Directors then reviewed and accepted as information a listing of the terminated accounts for the month.

REVIEW OF PRESIDENT'S CONSULTANT'S AND DIRECTORS'
EXPENSES

The Directors then reviewed and accepted as information a listing of April expenses incurred by the President, Consultant and Directors.

UNCOLLECTIBLE WRITE-OFFS AND CAPITAL CREDIT PAYMENT

The Board reviewed 45 member write-offs of \$8,056.86.

The Board reviewed payment of \$24,009.51 in Capital Credits.

Upon a motion by Charlie Richardson, second by Hope Kinman, the Board voted unanimously to approve the Uncollectible Write-Offs and Capital Credit Payments.

PRESIDENT/ CEO REPORT

Mike Cobb presented the CEO Report for the month of May, 2023, in accordance with the summary attached hereto and made a part of these minutes.

Safety Day Recap - Mike discussed with the Board the 2023 "Safety Day" recently held at the Coop.

2023 PSC Construction and Safety Inspection - Mike reviewed with the Board the 2023 Kentucky PSC Construction and Safety Inspection. No deficiencies were documented.

Corinth Property - Mike discussed with the Board the 5.0487 acres of land near Corinth, Grant County, Kentucky, at Exit 144 off 1-75 that the Board resolved to sell to the Corinth Volunteer Fire Department, Inc., at the April 23, 2023, Board meeting for \$140,000.00. Mike advised both the Fire Department and Grant County are requesting that the Deed from the Coop for said property be in the name of Corinth Volunteer Fire Department, Inc., and Grant County as co-owners. Mike explained this was being requested because Grant County is seeking a grant to aid in the cost of building a fire station on the property and must be listed as a co-owner to apply for same on behalf of the Corinth Volunteer Fire Department.

After much discussion, upon motion by Rick Messingschlager, second by Hope Kinman, the Board voted unanimously to sell said property to the Corinth Volunteer Fire Department, Inc.: and Grant County, for the purchase price of \$140,000.00: with the deed to same to be in the name of both Corinth Volunteer Fire Department and Grant County as co-owners.

Resolved further, Michael L. Cobb as President/CEO is authorized to sign any and all documents required to complete said transaction, including but not limited to, the purchase contract, deed and closing documents.

Employee Retention Tax Credit - Mike updated the Board on Alliant Group's evaluation/application for the Coop in regard to the employee retention tax credit provided for under the CARES Act.

NUCOR Update - Mike updated the Board on Nucor's expansion project and potential effect on load.

North American Energy Reliability Corporation (NERC) - Mike discussed with the Board NERC's report estimating two-thirds (2/3rds) of North America will see elevated risk of energy grid shortfalls and blackouts over the summer if faced with extreme temperatures and dire weather.

Annual Meeting Discussion - Mike discussed with the Board the Coop's annual meeting and member appreciation days scheduled for Thursday and Friday,

June 8th and 9th, 2023.

ACCOUNTING

Teresa Hamilton presented the Accounting report for April in accordance with the summary attached hereto and made part of these minutes. Teresa reported in April of 2023 negative net margins of \$470,056.49 and year-to-date margins of \$1,488,625.58 compared to \$2,955,409.76 year-to-date last year. Teresa reported the cost of power in April was 84 cents of every dollar of revenue.

MEMBER SERVICES

Mike Stafford presented the Member Services report for the month of April, 2023, in accordance with the summary attached hereto and made part of these minutes. Mike reported accounts billed for the month of April, 2023, of 65,676 compared to 64,980 for the same period last year. He reported energy audits through April, 2023 of 133 compared to 176 for the same period in 2022. Mike reviewed with the Board the Coop annual meeting and member appreciation days scheduled for June 8th and 9th, 2023.

HUMAN RESOURCES

Mike Cobb presented the Human Resources report for the month of May, 2023, in accordance with the summary attached hereto and made part of these minutes. Mike reported the Coop has gone 76 days as of May 25, 2023, without a recordable incident or lost time injury. Mike reported the Coop currently has 123 employees.

OPERATIONS

Brian Jones presented the Operations report for the month of May, 2023, in accordance with the summary attached hereto and made part of these minutes.

TECHNOLOGY

Jim Petreshock presented the Technology report for the month of May, 2023, in accordance with the summary attached hereto and made part of these minutes.

ENGINEERING

Jennifer Taylor presented the Engineering report for the month of May, 2023, in accordance with the summary attached hereto and made part of these minutes.

EKPC REPORT

Alan Ahrman gave the May, 2023, EKPC Board meeting report in accordance with the summary and minutes of said meeting prepared by EKPC staff. The actual summary and minutes cannot be attached to these minutes because of the terms of a Confidentiality and Non-Disclosure Agreement EKPC has required the coop's director representative and CEO to sign before being allowed to attend said meetings.

KEC REP.

Rick Messingschlager gave the May 16, 2023, Kentucky Electric Cooperative (KEC) meeting report in accordance with the summary and minutes of said meeting attached hereto and incorporated herein by reference.

ATTY. REP. James M. Crawford reported there was no new litigation for the month.

TRAINING/MEETINGS

Mike Cobb reminded the Board of the following training/meetings:

Membership Appreciation Days - June 8-9, 2023

Annual Business Meeting - June 9, 2023

OEC Regular Board Meeting - June 29, 2023

CoBank Directors Conference - July 24-26, 2023

OEC Regular Board Meeting - July 27, 2023

KEC Annual Meeting - August 7-8, 2023

OEC Regular Board Meeting -August 31, 2023

OEC Regular Board Meeting - September 28, 2023

NRECA Regional Meeting - October 11-13, 2023

OEC Regular Board Meeting - October 26, 2023

OEC Regular Board Meeting - November 16, 2023

OEC Regular Board Meeting - December 21, 2023

OEC Regular Board Meeting - January 25, 2024

OEC Regular Board Meeting - February 29, 2024

NRECA Power Xchange - March 1-6, 2024

OEC Regular Board Meeting - March 28, 2024

NRECA Directors Conference - April 6-9, 2024

NRECA Legislative Conference - April 21-24, 2024

OEC Regular Board Meeting - April 25, 2024

CONFERENCE

REPORTS None.

OLD BUSINESS

None.

NEW BUSINESS

None.

EXECUTIVE

SESSION On motion of Rick Messingschlager, second by Eddie McCord the Board voted unanimously to enter into Executive Session at 9:00 a.m.

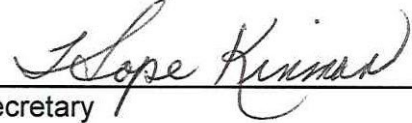
On motion of Rick Messingschlager, second by Eddie McCord. the Board voted unanimously to exit Executive Session at 10:15 a.m.

ADJOURN Upon a motion Charlie Richardson: second by Hope Kinman, the Board voted unanimously to adjourn the meeting.

Chairman



Secretary



The logo for OWEN Electric features the company name in a blue sans-serif font. To the right of the text is a stylized blue swoosh graphic that curves upwards and to the right.

OWEN Electric

A Touchstone Energy Cooperative



Regular Board Meeting

May 25, 2023



Touchstone Energy®
Cooperatives

- Directors Present/Absent
- Call to Order/Pledge of Allegiance/Invocation



Agenda & Minutes

- Adoption of Agenda (Tab 3)
- Approval of Minutes of Previous Meeting (Tab 4)

Safety Moment

Mike Cobb

Review/Discuss Member Compliments and/or Concerns

Review Agenda

- Review New Members: 406
- *(Listing on Board Table & in Board Paq)*
- Review Listing of Terminated Accounts:
- 154 Members at \$35,072.24
(Listing on Board Table & in Board Paq)

Review of President's, Directors' and Consultant Expenses

- Approve Uncollectible Member Write-offs:
45 Members at \$8,056.86
(Listing on Board Table and in Board Paq)
- Approve Payment of Capital Credits: \$24,009.51
(Tab 11)
- Approval of Consent Agenda Items
 - Motion _____
 - Second _____



President/CEO Report

May 25, 2023

Board Meeting



President's Report Topics

- Safety Day Recap
- 2023 PSC Construction and Safety Inspection
- Corinth Property Status
- Employee Retention Tax Credit Status
- NUCOR Update
- North American Energy Reliability Corporation (NREC)
 - Summer Risk Assessment
- Annual Meeting Discussion
 - Look at Owen's Annual Report



Safety Day

| | | |
|-------|--|--|
| 7:30 | Breakfast | |
| 8:10 | Welcome | Rodney Kincaid |
| 8:30 | Narcan | Amy Marston |
| 8:45 | "The Importance of Physical Security and Its Implications on Safety and Cybersecurity" | Kyle Wolfe / Colin Glover / Ryan Lewis |
| 9:30 | Break / Vendor visit | |
| 10:00 | Cyber Security Demo | Sara Young |
| 10:30 | Airport Disaster at Tenerife | Dwight Miller |
| 12:00 | Lunch / Vendor visit | |
| 1:15 | Breakout training | |
| 3:15 | Wrap up / Giveaways | Close - Mike Cobb |



OUR CHOICES CHANGE LIVES!

PSC Inspection Report

"No findings/deficiencies were documented..."

Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
-psc.ky.gov

Kent A. Chandler
Chairman

Angie Hatton
Vice Chairman

Mary Pat Regan
Commissioner

April 18, 2023

Mr. Michael Cobb
President and CEO
Owen Electric Cooperative
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359

Re: 2023 Construction and Safety Inspection
Owen Electric Cooperative

Mr. Cobb:

Kentucky Public Service Commission ("staff") completed a Construction and Safety Inspection of Owen Electric Cooperative on April 13, 2023. The inspection included field review of selected circuits with respect to Vegetation Management and compliance with the National Electrical Safety Code. No findings/deficiencies were documented during this inspection. This closes the inspection and no further correspondence is required.

Please review the enclosed inspection report in its entirety as you will find further information in regard to the inspection. If you have any questions regarding this inspection, please contact Steve Kingsolver via phone at 502-229-0035

Sincerely,



Steve Kingsolver
Utility Regulatory Safety Investigator
Public Service Commission



Employee Retention Credit Application Status

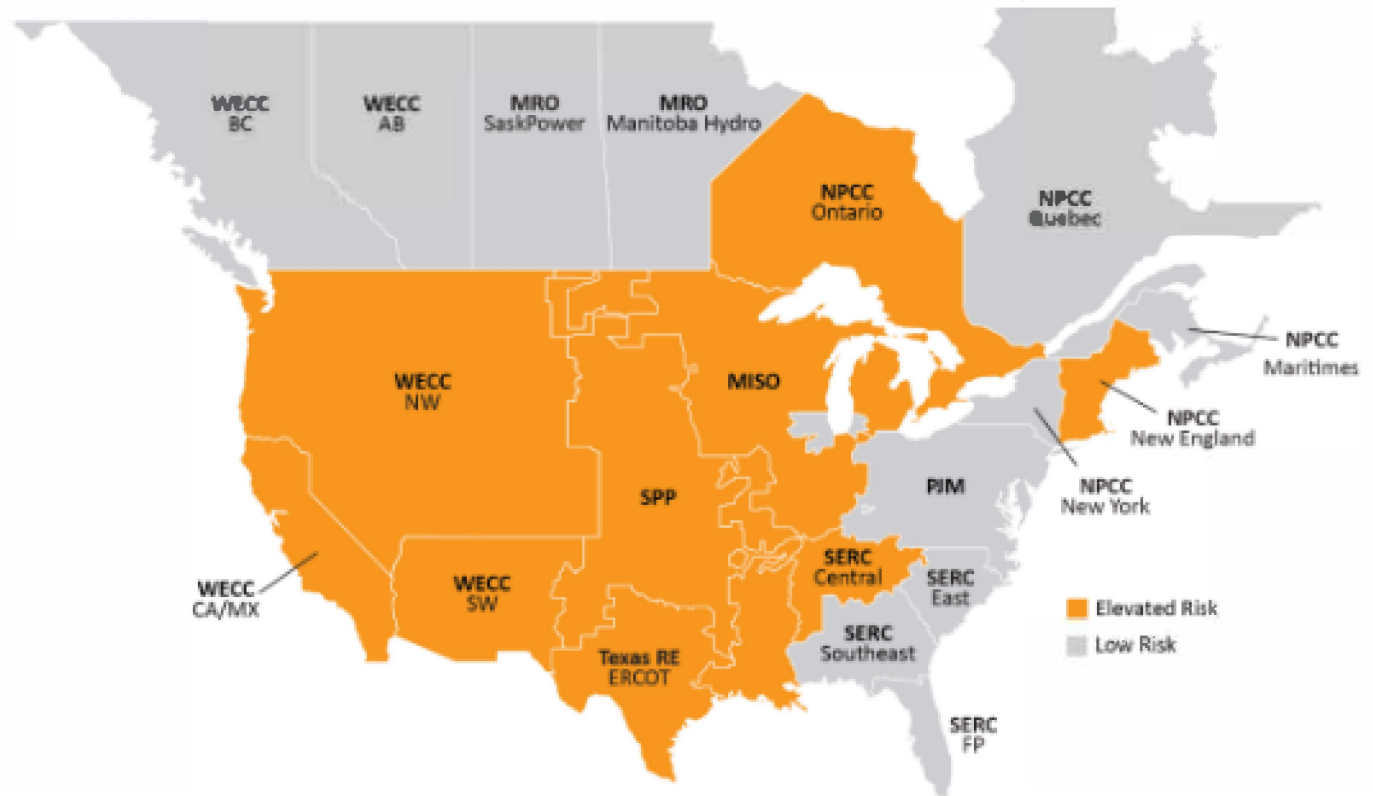
Owen Electric Cooperative Inc 2020 - 2021 Federal Employee Retention Tax Credit Study

| | | |
|--|--|------------|
| Qualification Assessment | Introductory Teleconference | Complete |
| | Qualification IDR and Assessment Complete | 4/21/2023 |
| Quantitative Analysis | Quantification Documents Received | 5/05/2023 |
| | Employee Retention Credit Analysis Delivered | 6/02/2023 |
| | Final Numbers and Filing Discussion | TBD |
| Reporting and Final Deliverable | Final Report Delivered | 12/31/2023 |



This summer could push US energy grids to their limits. A new assessment shows that most of the US may not possess enough energy reserves to handle seasonal heatwaves, severe storms, and hurricanes.

A new report from the [North American Electric Reliability Corporation](#) (NERC) estimates over two-thirds of North America will see elevated risks of energy grid shortfalls and blackouts over the summer if faced with extreme temperature spikes and dire weather. While resources remain “adequate” for normal seasonal peak demand, the major non-profit international regulatory authority’s [2023 Summer Reliability Assessment](#) warns most of the US—including the West, Midwest, Texas, Southeast, and New England regions—may not possess enough energy reserves to handle heatwaves, severe storms, and hurricanes.



| Seasonal Risk Assessment Summary | |
|----------------------------------|--|
| High | Potential for insufficient operating reserves in normal peak conditions |
| Elevated | Potential for insufficient operating reserves in above-normal conditions |
| Low | Sufficient operating reserves expected |

2022 ANNUAL REPORT



SUPPORT | ADVOCATE | EDUCATE



SUPPORT

Because you are reading this annual report, chances are you already know that Owen Electric Cooperative only exists because of the consumer-members who own our cooperative.

When Owen Electric was founded in 1937, friends and neighbors banded together to create a new kind of electric utility, where the voice of every person made a difference.

Electric cooperatives brought electric power to the countryside when no one else would. Today, Owen Electric and more than 900 other electric co-ops across America continue to answer that call. Focusing on our members' needs, Owen Electric provides much more than competitively priced, reliable energy. We are committed to supporting our communities and improving the quality of life for the consumer-members who live here.

OUR BOARD

The support and dedication of our board is essential. In addition to their supervision and guidance of Owen Electric, board members

receive important education and training, so they are prepared to support your co-op as we deal with the complex challenges of providing electric service.

Every member of the Owen Electric board of directors is a member of this co-op, democratically elected by the membership to represent the interests of all members, not special interests or outside agendas. Owen Electric board members are your neighbors.

MEMBER SUPPORT

As a cooperative, Owen Electric is your advocate, speaking up for common-sense policies which promote reliable power delivered as cost-effectively as possible.

With the support of our fellow co-ops, we advocate for member interests, such as preventing extra charges from appearing on your bill, promoting a robust mix of energy sources and protecting the not-for-profit cooperative business model.

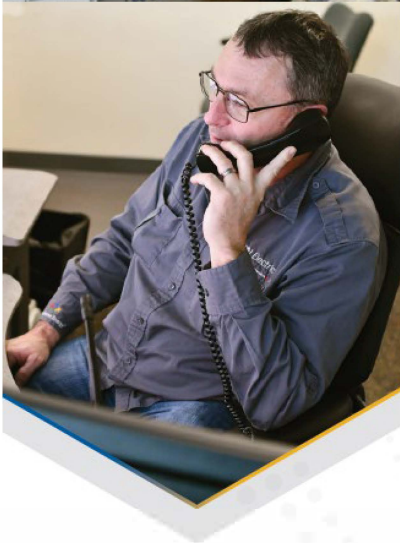
Amid rampant inflation, Owen Electric is a resource hub for members who need help.

Member Services Representatives Rebecca McQuary and Jamie Taylor review a member's account.

Above right, Journeyman Lineman Josh Keeton pulls in underground wire for a home in a new subdivision.

System Operator Troy Osborne communicates with a serviceman who is working out in the field. Photos: Whitney Duvall

On the cover, Manager of Safety Rodney Kincaid demonstrates the different types of safety equipment linemen wear when on the job. Photo: Whitney Duvall

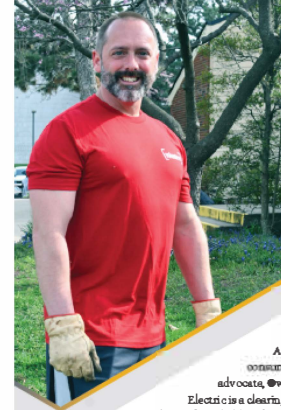


Here are a few ways we follow the cooperative principle of "Concern for Community":

- Employees are collectively allocated more than 1,000 hours a year to use for various volunteer and charitable efforts within the communities we serve.
- Owen Electric has a well-established history of supporting schools, charitable organizations and nonprofits that help improve the quality of life in our communities.
- In times of crisis and need, Owen Electric crews have assisted more than 50 utilities restore power in more than a dozen states.
- Owen Electric awards 15 annual scholarships to graduating seniors and students enrolled in undergraduate and trade programs.
- Each year, high school juniors are sponsored to attend the Frankfort Youth Tour and Washington Youth Tour experiences.

COMMUNICATIONS

Owen Electric is committed to open, transparent and helpful communications. In *Kentucky Living*, through social media and on owenelectric.com, we share updates, tips and important information about our communities and your cooperative. We work to combat scam attempts targeting our members, from phone scams to misleading sales pitches.



As a consumer advocate, Owen Electric is a clearing house for reliable information about matters that affect your bill and electric service, such as the rising costs for fuels used to create electricity, energy efficiency ideas to help manage your costs, and protecting the sales tax exemption for utility services at primary residences.

ECONOMIC DEVELOPMENT

In partnership with our power supplier, East Kentucky Power Cooperative, Owen Electric supports local businesses and works to attract new employers. With some of the most

competitive electric rates in the country and our record of reliability and resilience, we have a great story to tell.

ON THE LINE

All of us at Owen Electric are committed to the safety of both our employees and our membership. Though any business benefits from a safety culture, the inherent hazards of electricity require Owen Electric to be especially dedicated to safety.

Our crews follow strict guidelines and receive regular training so that they can return home safely no matter the conditions or tasks at hand.

A SUPPORT NETWORK

Many people find support networks in a circle of friends, their extended family, a local church, self-help groups and even online communities. Our cooperative is supported by our members, as well as East Kentucky Power Cooperative, the statewide association Kentucky Electric Cooperatives, our Touchstone Energy Cooperatives affiliation, and the collaboration of more than 900 electric cooperatives across the country.

As Owen Electric provides this annual report of our operations, please know how much we value and rely on your support. We're here for you, too, as we all work together to support our local communities.



Network and Communications Engineer Travis Hunter volunteers at the Ronald McDonald House of the Bluegrass cleaning up the landscape and storage shed. Photo: Whitney Duwall

Engineering Technology Manager Tim Cammack hands out water to athletes at the Special Olympics Kentucky state summer games, held each June at Eastern Kentucky University. Photos: Tim Webb

AGENDA

Owen Electric Cooperative Annual Meeting of Members

Arthur Service Center
13179 Walton-Verona Rd., Walton, KY 41094
Friday, June 9
Registration: 4–6 p.m.
Business Meeting: 6 p.m.

The annual meeting of the members of Owen Electric Cooperative will be held at the Arthur Service Center, Walton, Kentucky, at 6 p.m. Eastern Daylight Time, Friday, June 9, 2023. The business session will be held for the purpose of taking the following actions:

1. Report of the officers and directors
2. The election of two (2) directors to serve four (4) years each
3. To consider any and all other business that may properly come before the meeting or any adjournments thereof

Report of Nominating Committee

In connection with the election of two directors scheduled for this meeting, the following members have been nominated for directors by the Nominating Committee and certified by the Credentials and Elections committee. These committees were appointed by the Board of Directors of the cooperative—pursuant to the bylaws.

For four-year terms:

District 2

Eddie McCord

District 6

Rick Messingschlager

Registration of members will start at 4 p.m. Eastern Daylight Time, Friday, June 9, 2023. All members must register in order to participate in the business meeting and prize drawings and to receive appreciation gifts. Students registering for the enhanced scholarship drawing must be accompanied by registered parent or guardian (Proper ID required for registration).

The drawing for one \$2,000 scholarship will take place following the business meeting; student and parent or guardian must be present to win. Members must also be present to win this year's grand prize. This year three lucky members will each win a \$500 energy gift certificate. Other prizes and \$1,000 scholarships will be drawn the week following the annual business meeting. Recipients need not be present to win.

Owen Electric Cooperative, Inc.
Hope Kinman, Secretary-Treasurer



Michael Cobb
President/CEO



John Grant
District 5, Southern
Boone County
Chairman



Rick Messingschlager
District 6, Kenton County
Vice Chairman



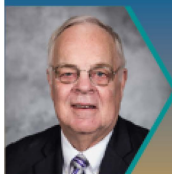
Hope Kinman
District 7, Northern
Boone County
Secretary-Treasurer



Charlie Richardson
District 1, Owen County



Eddie McCord
District 2, Gallatin and
Carroll counties



Robert True
District 3, Grant and
Scott counties



Alan Ahlman
District 4, Pendleton
and Campbell counties

2022 Owen Electric Cooperative YEAR IN REVIEW

ACTIVE ACCOUNTS

As of December 31, 2022

| | |
|------------------------|--------|
| Boone County | 24,548 |
| Kenton County | 13,977 |
| Grant County | 7,392 |
| Owen County | 5,271 |
| Campbell County | 4,053 |
| Pendleton County | 3,690 |
| Gallatin County | 3,459 |
| Scott County | 1,927 |
| Carroll County | 1,178 |
| Total | 65,495 |

ACCOUNTS BILLED

2022

AVERAGE KWH USAGE

(residential per month)

2022

MILES OF LINE

2022

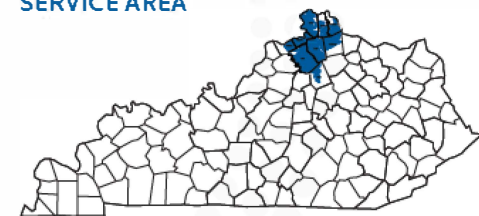
CONSUMERS PER MILE

2022

FOR INFORMATION AND INQUIRIES

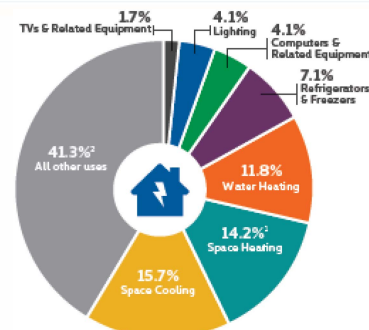
8205 Hwy 127 N, P.O. Box 400
Owenton, KY 40359
(800) 372-7612
www.owenelectric.com

SERVICE AREA



How Americans Use Electricity

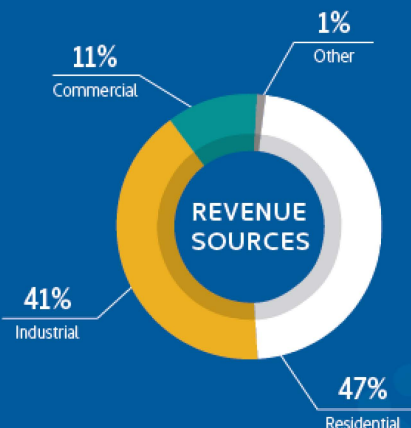
The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.



Source: Energy Information Administration 2022



FINANCIALS



STATEMENT OF OPERATIONS

As of December 31, 2022

Operating Revenue.....\$227,863,483

OPERATING EXPENSE

Purchased Power.....\$186,428,622
 Operating System.....\$21,466,057
 Depreciation.....\$11,766,994
 Interest on Loans.....\$3,152,037
 Other Deductions.....\$58,797

Total Cost of Electric Service.....\$222,872,507

Operating Margins.....\$4,990,976
 Non-Operating Margins.....\$469,651
 G & T Capital Credits.....\$3,912,026
 Other Capital Credits.....\$289,309
Patronage Capital and Margins.....\$9,661,962

BALANCE SHEET

As of December 31, 2022

ASSETS

Total Utility Plant.....\$344,308,044
 Less Depreciation.....\$179,073,931
 Net Utility Plant.....\$165,234,113

Investments in Associate Organization.....\$99,480,053
 Cash.....\$12,519,373
 Accounts and Notes Receivable.....\$21,184,987
 Inventory.....\$2,297,059
 Prepaid Expenses.....\$438,712
 Deferred Debits and Other Assets.....\$7,389,429
Total Assets.....\$308,543,726

LIABILITIES

Consumer Deposits.....\$2,270,813
 Membership and Other Equities.....\$164,533,197
 Long-Term Debt.....\$94,203,053
 Notes and Accounts Payable.....\$26,900,586
 Other Current Liabilities.....\$20,636,077

Total Liabilities.....\$308,543,726

2023

Owen Electric's Annual Meeting & Member Appreciation Days THURSDAY-FRIDAY, JUNE 8-9

Registration • Bucket and Bulb Pickup

Thursday-Friday, June 8-9
 8 a.m.-4:30 p.m.

Owen Electric offices

Registration & Annual Business Meeting

Friday, June 9

Registration: 4-6 p.m.

Meeting: 6 p.m.

Arthur Service Center

13179 Walton-Verona Rd., Walton, KY

Bucket and bulb pickups also available



Prizes

Drawn at the annual business meeting:

- Three \$500 energy gift certificates (to be credited to winners' Owen Electric accounts).
 - \$2,000 scholarship
- Must be present to win.

Drawn the following week:

- Fourteen \$1,000 scholarships
- YETI Roadie cooler
- 43" VIZIO flat screen TV
- Even more prizes!

Need not be present to win.

Eligibility & Info: www.owenelectric.com



A Touchstone Energy Cooperative

FREE
 Energy-saving
 lightbulbs for
 members who
 attend!

Each registered
 member will
 receive a bucket,
 LED bulbs and
 reusable food
 container.



Accounting Department

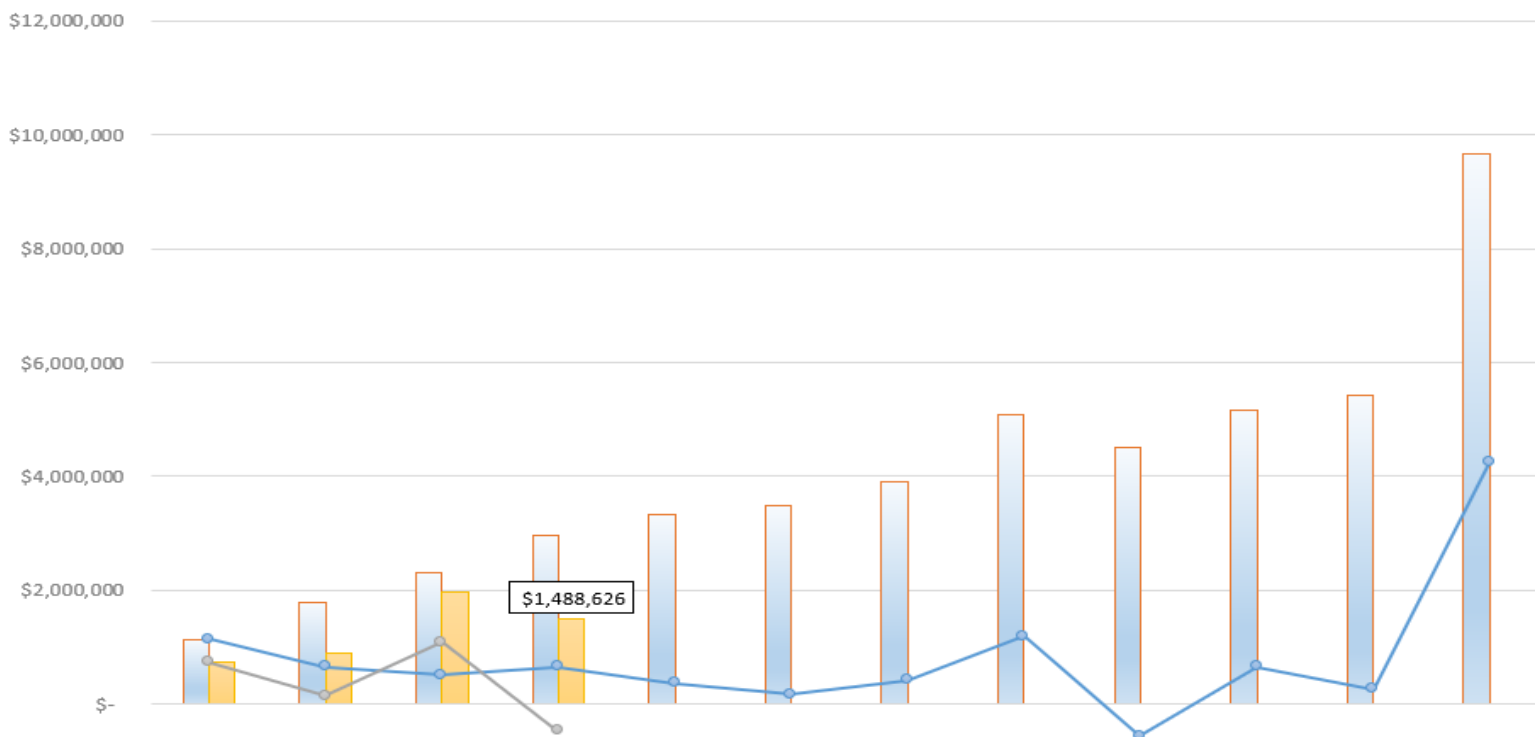
Board Report

May 25, 2023

- April Financials
- Temporary Investments
- Temporary Increase to the Line of Credit for two years – from \$22,800,000 to \$30,000,000
- IRS Form 990 – filed
- FEMA filing for \$400,000 started in portal

Month to Month and YTD Comparison with YTD amount posted for 2023

Net Margins



\$(2,000,000)

| | January | February | March | April | May | June | July | August | Sept | October | November | December |
|---------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| 2022 YTD | \$1,139,317 | \$1,792,925 | \$2,298,888 | \$2,955,410 | \$3,324,416 | \$3,486,630 | \$3,895,742 | \$5,077,472 | \$4,506,935 | \$5,158,320 | \$5,420,816 | \$9,661,962 |
| 2023 YTD | \$735,416 | \$879,367 | \$1,958,682 | \$1,488,626 | | | | | | | | |
| 2022 Monthly Totals | \$1,139,317 | \$653,608 | \$505,963 | \$656,521 | \$369,006 | \$162,214 | \$409,111 | \$1,181,731 | \$(-570,537) | \$651,385 | \$262,497 | \$4,241,146 |
| 2023 Monthly Totals | \$735,416 | \$143,951 | \$1,079,315 | \$(-470,056) | | | | | | | | |

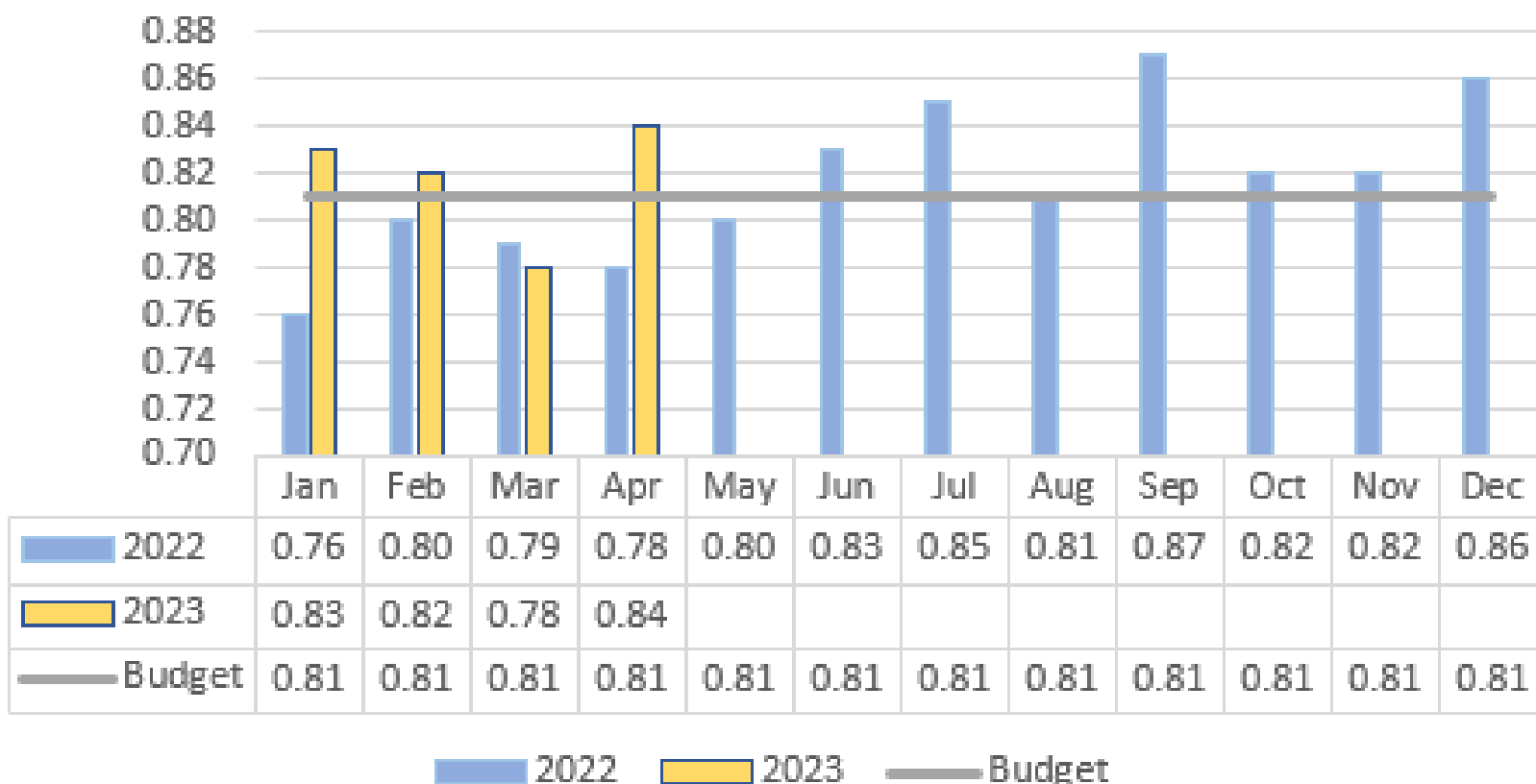
2022 YTD 2023 YTD 2022 Monthly Totals 2023 Monthly Totals

Statement of Operations
Variances from Last Year and Budget

| | <i><u>THIS YEAR</u></i> | <i><u>LAST YEAR</u></i> | <i><u>VARIANCE</u></i> | | <i><u>THIS YEAR</u></i> | <i><u>BUDGET</u></i> | <i><u>VARIANCE</u></i> |
|--|-------------------------|-------------------------|------------------------|--|-------------------------|----------------------|------------------------|
| Operating Revenue | 77,113,083 | 68,621,141 | 8,491,942 | | 77,113,083 | 82,467,181 | (5,354,098) |
| Less: Cost of Purchased Power | 62,895,561 | 53,829,495 | 9,066,066 | | 62,895,561 | 64,779,593 | (1,884,032) |
| Net Revenue | 14,217,522 | 14,791,646 | (574,124) | | 14,217,522 | 17,687,588 | (3,470,066) |
| | | | | | | | |
| Controllable Cost | 7,691,887 | 7,248,379 | 443,508 | | 7,691,887 | 7,811,010 | (119,122) |
| Depreciation and Amortization Expense | 4,129,520 | 3,823,244 | 306,277 | | 4,129,520 | 4,074,124 | 55,396 |
| Interest on Long Term Debt | 1,114,688 | 999,651 | 115,036 | | 1,114,688 | 1,032,698 | 81,989 |
| Interest Expense - Line of Credit | 61,419 | 5,793 | 55,626 | | 61,419 | 29,167 | 32,253 |
| Other Deductions | 8,596 | 12,891 | (4,295) | | 8,596 | 21,000 | (12,404) |
| Total Expenses (less Power Cost) | 13,006,110 | 12,089,958 | 916,152 | | 13,006,110 | 12,967,999 | 38,111 |
| | | | | | | | |
| Members' Margins | 1,211,412 | 2,701,688 | (1,490,276) | | 1,211,412 | 4,719,589 | (3,508,177) |
| | | | | | | | |
| Non-Operating Margins - Interest/Other | 208,261 | 104,016 | 104,245 | | 208,261 | 154,403 | 53,859 |
| Generation & Transmission Capital Credits | - | - | - | | - | - | - |
| Other Capital Credits & Patronage Dividend | 68,953 | 149,705 | (80,753) | | 68,953 | 71,000 | (2,047) |
| | | | | | | | |
| Net Margins | 1,488,626 | 2,955,410 | (1,466,784) | | 1,488,626 | 4,944,991 | (3,456,366) |

For Every Dollar Earned in Revenue
\$.84 represented purchase power in April 2023

Power cost to Revenue



Distribution Equity is based on Policy 319

Benchmarks are based on debt covenants

| KEY METRICS | YTD | Rolling 12 Month | Benchmark |
|---------------------------------------|-------|------------------|-----------|
| T.I.E.R (TIMES INTEREST EARNED) | 2.335 | 3.266 | 1.25 |
| O.T.I.E.R (OPERATING) | 2.087 | - | 1.10 |
| DSC (DEBT SERVICE COVERAGE) | 3.273 | | 1.35 |
| ODSC (OPERATING) | - | 2.730 | 1.35 |
| MDSC (Modified Debt Service Coverage) | | 2.205 | 1.35 |
| DISTRIBUTION EQUITY | - | 32.48% | 20%-35% |
| TOTAL EQUITY | - | 54.06% | >27% |
| CURRENT RATIO | | 1.448 | > 1.0 |
| DAYS of CASH on HAND | 85 | | 100 |

Temporary line of credit increase with CFC became effective **May 1st** adding another 11 days to the days of cash on hand - 96

Review of Days of Cash on Hand or Days of Liquidity

- Days of cash on hand or days of liquidity is a calculation for the number of days an organization can continue to pay its operating expenses, given the amount of cash available.
- In the accounting realm, a well-run business wants at a minimum thirty (30) days of cash on hand; preferably ninety (90) days of cash on hand to give time to deal with unforeseen circumstances.
- The 100 day was a suggestion made (most likely due to the industry standard), it is not a debt covenant.
- Another metric considered for liquidity is the current ratio. Owen Electric Cooperative currently stands at 1.448. The desired ratio is greater than 1.0. We exceeded the amount.
- Finally, a metric not reported to the Board, but can be considered, also, is net working capital (current assets – current liabilities) to determine if an organization has the ability to pay short term debts. A positive amount of working capital demonstrates that a company can fund its current operations and invest in future activities and growth.
- Owen Electric currently has Net Working Capital in the amount of \$ 10,733,856.18 and Working Capital Turnover of 7.58 – meaning every dollar of working capital produces 7.58 in revenue.

April 2023



Temporary Investments - Board Policy 318

| <u>Note Number</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Term in Days</u> | <u>Interest Earnings</u> |
|-----------------------|-------------------------|----------------------|----------------------|---------------------|--------------------------|
| CFC Medium Term Notes | \$ 2,000,000.00 | 3.04% | 6/15/2023 | 356 | \$ 59,300.82 |
| CFC Medium Term Notes | \$ 3,000,000.00 | 3.83% | 10/2/2023 | 426 | \$ 134,102.47 |
| CFC Medium Term Notes | \$ 3,000,000.00 | 3.89% | 8/2/2024 | 731 | \$ 233,719.73 |
| CFC Medium Term Notes | \$ 1,477,000.00 | 4.77% | 12/15/2023 | 393 | \$ 76,911.08 |
| CFC Commerical Paper | | Various 4.3-4.37% | | | \$ 12,289.00 |

April 2023
Thank you



Signed financials for April 2023 will be included in Board Paq

MEMBER SERVICES REPORT



PRESENTED BY MIKE STAFFORD



April 2023 Statistics

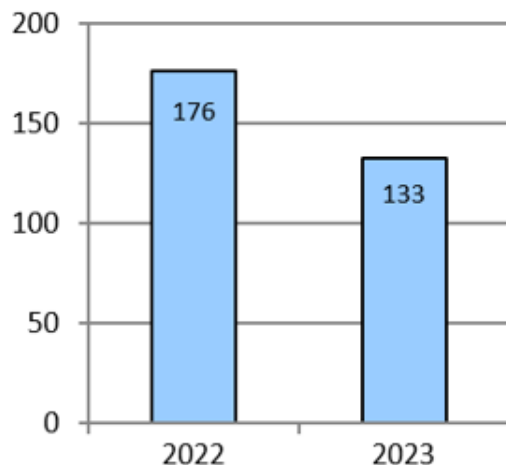
| Member Account Activity | Current Month 2023 | Last Month 2023 | Same Period Last Year 2022 |
|-------------------------------------|-----------------------|--------------------|-------------------------------|
| Bank Deposits | \$12,642,009.79 | \$14,219,219.25 | \$12,446,097.98 |
| Accounts Billed | 65,676 | 65,786 | 64,980 |
| Total Billing (Excluding Taxes) | \$12,335,798.28 | \$11,848,464.78 | \$11,077,574.74 |
| Delinquent Notices Mailed | 6,669 | 8,911 | 7,592 |
| Total Delinquent Amount | \$1,329,861.53 | \$1,736,343.53 | \$1,348,512.90 |
| Total Penalty Amount | \$62,184.60 | \$95,120.59 | \$67,326.79 |
| Number of Arrangements | 1,228 | 1,261 | 1,219 |
| Total Amount of Arrangements | \$265,772.72 | \$328,323.09 | \$285,836.59 |
| Return Check Amount | \$21,843.03 | \$34,225.40 | \$18,891.93 |
| Number of Return Checks | 60 | 105 | 81 |
| Office Pymts (Walk-in & Drive-thru) | 2,810 | 3,239 | 2,890 |
| Cutoff Tickets | 1,420 | 1,652 | 1,584 |
| Actual Cutoffs | 505 | 603 | 430 |
| New Accounts Set Up | 532 | 627 | 583 |
| Service Orders | 2,480 | 3,216 | 2,599 |

| | | | |
|---|-----------------------|------------|------------|
| Calls Answered by Member Services Reps | 7,862 | 9,367 | 8,106 |
| Telelink Calls | 24,889 | 31,142 | 24,365 |
| Member Services Collection Program | \$2,899.03 | \$5,456.85 | \$3,862.44 |
| Total Collections by Member Services | \$1,003,099.30 | | |

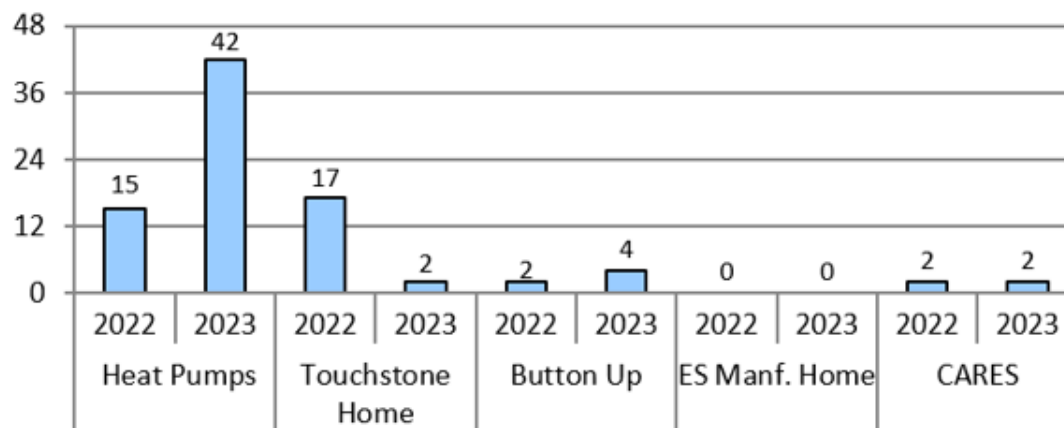


Energy Efficiency Update

**Energy Audits
(Year to Date)**



**Summary of Residential Energy Efficiency Incentives
Paid
(Year to Date)**



Direct Load Control (Simple Saver DSM Program)

| | Monthly Activity | | Program Total | |
|--------------|------------------|----------|---------------|-------|
| | Installations | Removals | | |
| HVAC | 0 | -7 | HVAC | 2,671 |
| Water Heater | 0 | -2 | Water Heater | 1,627 |
| Thermostat | 32 | 0 | Thermostat | 815 |
| Totals | 32 | -9 | Totals | 5,113 |

Online Activity Summary



673 EMAIL INQUIRIES

16,379 WEBSITE VISITORS
30,309 PAGE LOADS



33 NEW FACEBOOK FANS
70 NEW FACEBOOK POSTS
9,916 TOTAL FANS

0 NEW FOLLOWERS
876 TOTAL FOLLOWERS



5 MORE TWITTER FOLLOWERS
70 NEW TWEETS
2,563 TOTAL FOLLOWERS

0 NEW FOLLOWERS
94 TOTAL FOLLOWERS



2023

Owen Electric's Annual Meeting & Member Appreciation Days

THURSDAY-FRIDAY, JUNE 8-9

Registration • Bucket and Bulb Pickup

Thursday-Friday, June 8-9

8 a.m.-4:30 p.m.

Owen Electric offices

Registration & Annual Business Meeting

Friday, June 9

Registration: 4-6 p.m.

Meeting: 6 p.m.

Arthur Service Center

13179 Walton-Verona Rd., Walton, KY

Bucket and bulb pickups also available



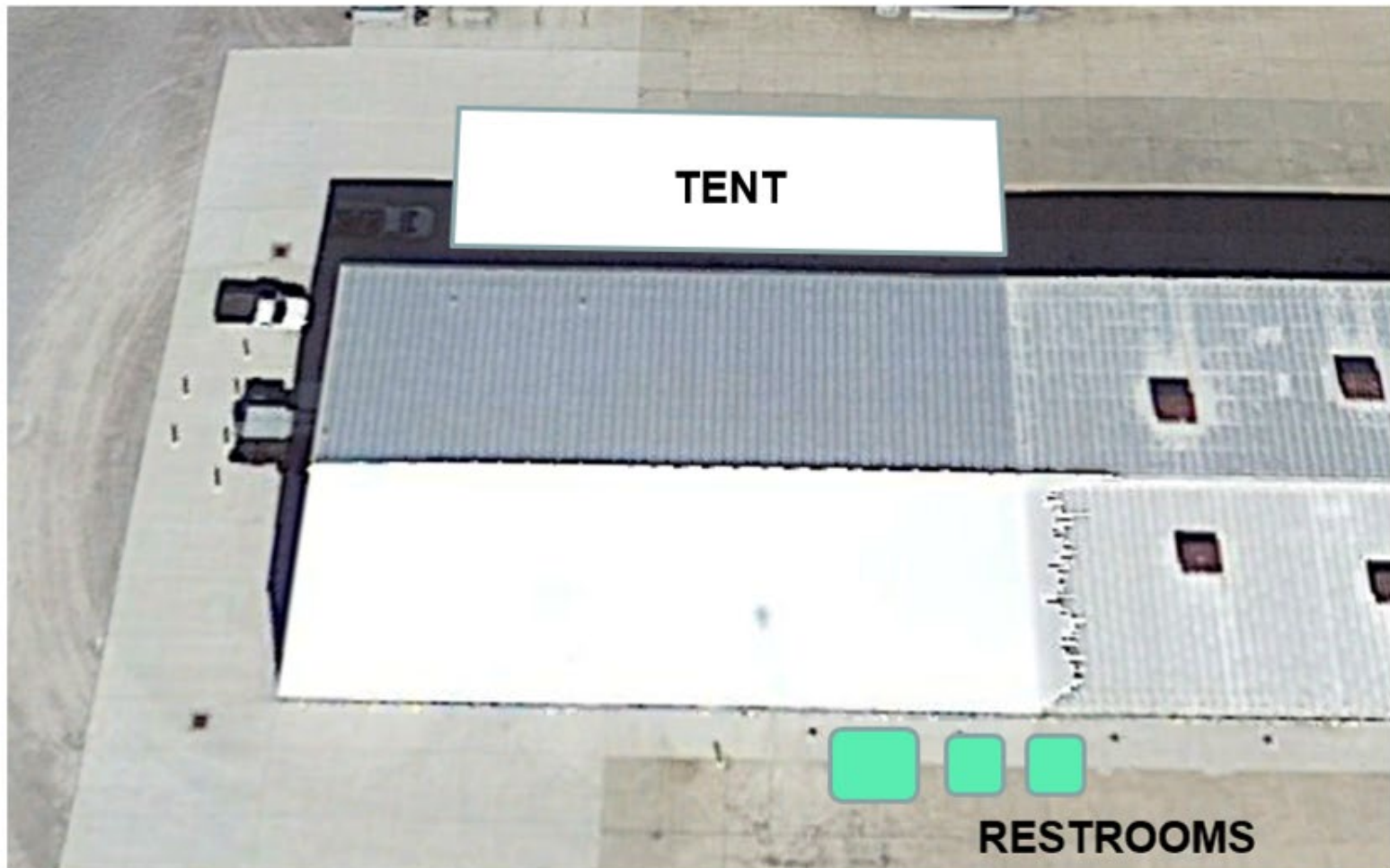
FREE
Energy-saving
lightbulbs for
members who
attend!



Business Meeting Configuration

Walton Service Center

Friday, June 9 @ 6:00 pm



The background of the slide is a photograph of a landscape at sunset or sunrise. The sky is filled with large, billowing clouds that are illuminated from below, giving them a warm, orange-pink glow. The lower part of the image shows a grassy field with some yellow wildflowers in the foreground. A tall, metal electrical transmission tower stands on the right side of the image. A large, solid blue diagonal shape cuts across the left side of the slide, starting from the top left corner and extending towards the bottom right. The title text is positioned within this blue area.

HUMAN RESOURCES BOARD REPORT

MAY 25, 2023

SAFETY Report



Teachasairte Éireann Co-operative

May 2023

Leading Indicators

Safety Culture Score 2019 = 90%

| | | |
|--------------------|--|-----|
| Crew Visits | | 4 |
| Safety Suggestions | | 15% |
| Near Miss Reports | | 0 |
| Hazards Reported | | 0 |
| Risk Assessments | | 0 |
| Corrective Actions | | 0 |

Lagging Indicators

Actuals

| | | |
|------------------------|--|----|
| Recordable Injury Rate | | 0 |
| D.A.R.T. Rate | | 0 |
| Severity Rate | | 0 |
| OSHA Recordables | | 0 |
| Actual Days Off Work | | 17 |
| OEC Vehicle Accidents | | 0 |
| Other Incidents | | 0 |

2nd
Quarter

Note: All Stretch Goals Are 0.00

SAFETY Report



A Touchstone Energy Cooperative

SAFETY IS NO ACCIDENT

WE HAVE WORKED

76

DAYS

WITHOUT A RECORDABLE
INCIDENT

As of 05/25/2023

WE HAVE WORKED

76

DAYS

WITHOUT A LOST TIME INJURY



We continue to be focused on being proactive in hazard awareness by making corrections to affect the situations that can cause a negative impact to our Safety Indicators (physical alterations to equipment and additional training).

* We have worked 18,970 hours (04/01/23 thru 04/30/23).
We currently have 123 employees.

Note: The calculations reflect realtime data so that we can see a better picture of where we stand within the current quarter.

OEC employees continue to work hard while controlling workplace hazards very well. Communication between departments about safe practices remains essential and it is evident that it is taking place.

A list of Commitment to ZERO action items have been established and have been implemented. Some of which include changes to our safety reporting software and a better plan of focussing on Life Saving Rules.

Another Safety Day is in the books and the content of training was geared toward communication skills in Safety and Cyber and physical security. The initial feedback from employees tells us that the day was a huge success and the training was much needed.

The updated apprenticeship training which now includes course work from Northwest Lineman's College, has conducted the first round of field training(Lab 1) and seems to be a better benefit to the needs of our young lineman.



OWEN *Electric*

A Touchstone Energy Cooperative 

2023 HUMAN RESOURCES, MEDICAL PLAN UPDATE

STAFFING UPDATE

Call Center staffing is anticipated to be completed by the end of June.

Due to a recent resignation of an Apprentice Lineman, a job opening will be posted internally and should be filled with one of our current FSR'S. Thus creating a vacancy for an FSR position in our Northern KY district.

MEDICAL PLAN UPDATE

Attached are the status reports that reflect the first 3 months of 2023 Medical Plan. A quarter of the way into the year, the plan is running well and has a surplus of just over \$1.1M. This is mainly due to the fact there is an unusually low number of high cost claimants. In addition, just under \$1M in pharmacy rebates and stop-loss reimbursements from last year have come in and bolstered the plan's performance.

MEDICAL PLAN UPDATE

January Medical Status Update

OEC

OEC Funding
\$ 171,056

OEC Claims
\$ 75,687

Surplus/Deficit
\$ 95,369

Participants
137

MEDICAL PLAN UPDATE

February Medical Status Update

OEC

OEC Funding
\$ 338,543

OEC Claims
\$ 221,032

Surplus/Deficit
\$117,511

Participants
137

MEDICAL PLAN UPDATE

March Medical Status Update

OEC

OEC Funding
\$ 503,011

OEC Claims
\$ 332,293

Surplus/Deficit
\$ 170,718

Participants
135

A large, light blue silhouette graphic in the background depicting a utility pole with two workers on it. One worker is on the left side of the pole, and the other is on the right side, both wearing hard hats and safety gear. The pole has cross-arms with insulators at the top.

Operations Board Report

May 2023

Right-of-Way

| | May | YTD | Target – 2023 | % Complete |
|----------------|-----|-----|---------------|------------|
| Trimming Miles | 33 | 144 | 507 | 28.4% |

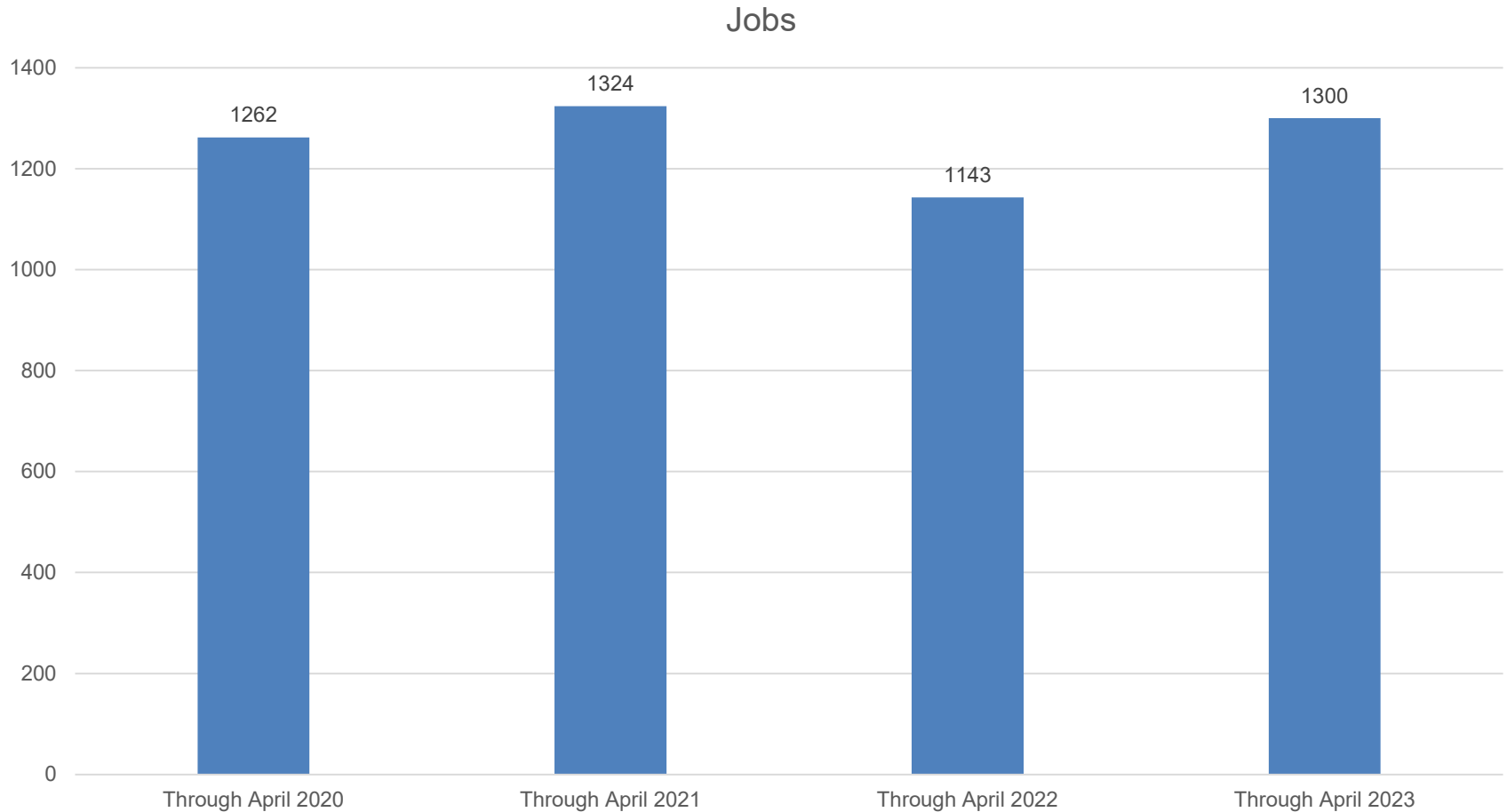
Crews are currently working in:

- Boone Co. – Smoot II and Boone Sub
- Campbell Co. – Grantslick II
- Kenton Co. – Banklick and Turkeyfoot Sub
- Pendleton Co. – Griffin Sub
- Scott Co. – Penn Sub
- Penn – Feeder 2 (Scott)

Right-of-Way

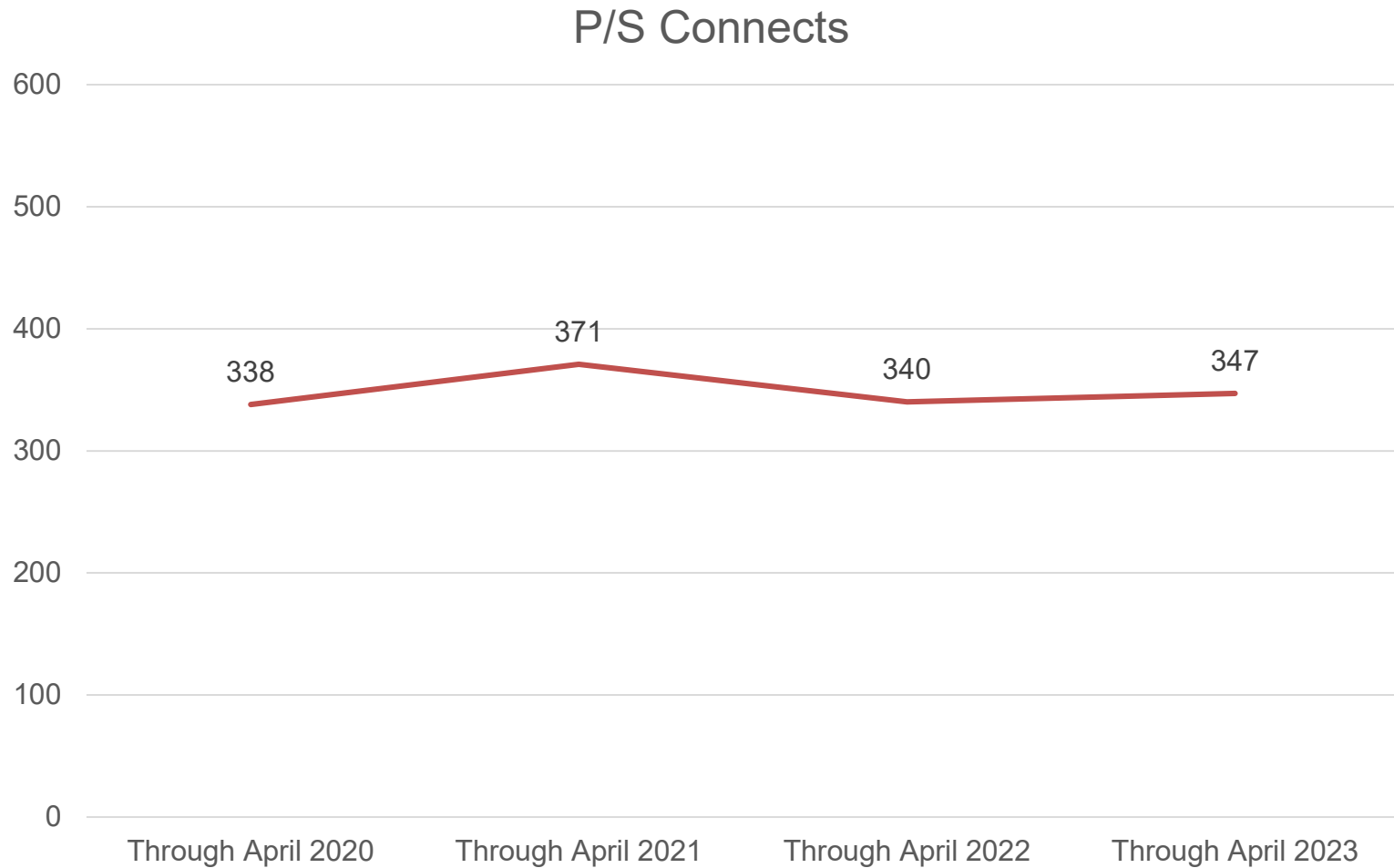
- Have spent 28.3% of our budget
- Completed 28.4% of our goal
- Spraying to start later this summer-525 miles

Construction – Jobs





Const. – P/S Connects





Technology Report

May 2023



Engineering

Jennifer Taylor

2023 Reliability KPI

| | Q1 | Q2 | Q3 | Q4 | YTD |
|-------|-------|-------|----|----|--------|
| SAIDI | 19.24 | 15.45 | | | 19.240 |
| SAIFI | 0.190 | 0.114 | | | 0.190 |
| MED | 3 | 0 | 0 | 0 | 3 |

THRESHOLD

TARGET

STRETCH

- April 1st was an extensive outage day, but did not meet MED criteria.
- Step up Transformer outage on 4/17 added significant SAIDI minutes.
- Outside of those two days, the reliability was actually good. (Only 5 Minutes of total SAIDI)
- Unlikely to meet any KPI's for Q2 with this start to the Quarter.

Carrollton Gas Update

- Carrollton held an industrial Gas Customer meeting.
- Ultimately, we have a very secure gas supply from both the North and the South, so would be extremely rare to have a gas interruption and it would be solely because of equipment failure.

Eaton Meters

- Eaton informed us early February of a part issue with the antenna in the new rf meters that effects communication
- A total of 17,072 new rf meters are effected
 - 12,672 meters not in field
 - 4,400 meters installed in field
- Meters are being fixed in plant in Mexico
- Eaton is shipping in weekly batches, 2500 have been returned to us so far.
- Owen has asked for recompense to cover our calculated expenses in addressing this issue thus far. We are awaiting a response from Eaton.

Oversight Agenda



EKPC Report



Report Presented By:
Alan Ahrman



KEC Report

KENTUCKY ELECTRIC
COOPERATIVES

Report Presented By:
Rick Messingschlager

Attorney's Report

Presented By: Jim Crawford



Information Agenda



Information Agenda

- Conference Reports
 - As needed
- Old Business
- New Business
- Executive Session
- Miscellaneous
- Adjourn
 - Motion _____
 - Second _____