

**OWEN ELECTRIC COOPERATIVE
REGULAR BOARD MEETING
November 16, 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 November 16, 2023. All Directors were present, along with: Mike Cobb, Mike Stafford, Jim Petreshock, Brian Jones, Jennifer Taylor, Erin Rehkamp, Christel Buffin and Attorney Jake A. Thompson.

**CALL TO ORDER,
PLEDGE OF ALLEGIANCE
AND INVOCATION**

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

ADOPTION OF

AGENDA Upon a motion by Charlie Richardson, second by Rick Messingschlager, the Board voted unanimously to adopt the November 16, 2023, Board Meeting Agenda as presented.

MINUTES

APPROVED Upon a motion by Bob True, second by Hope Kinman, the October 26, 2023, Regular Board Meeting Minutes were approved as submitted.

NEW

EMPLOYEES Mike Cobb introduced Erin Rehkamp, Vice President of Corporate Services, and Mike Stafford introduced Wyatt Hartman, Field Service Representative.

SAFETY

MOMENT Erin Rehkamp gave the safety moment on cooking safety and preventing cooking fires.

MEMBER

CONCERNS None.

NEW MEMBERS

ACCEPTED The Directors then reviewed and accepted the listing of 465 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 October expenses incurred by the President, Consultant and Directors.

UNCOLLECTIBLE WRITE-OFFS AND CAPITAL CREDIT PAYMENT

The Board reviewed 58 member write-offs of \$9,171.67.

The Board reviewed payment of \$31,759.69 in Capital Credits.

Upon a motion by Alan Ahrman, 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 November, 2023, in accordance with the summary attached hereto and made a part of these minutes.

NERC Winter Reliability Assessment – Mike Cobb discussed with the Board that a large portion of North America is at risk of insufficient electricity during peak winter conditions.

Balance Scorecard: Performance (Thru. 3Q – 2023) – Mike Cobb announced \$803.75 will be paid to each employee for scorecard performance.

Update on Pilot Rate for EV Charging. Mike Cobb announced that members can sign up for a waiting list for the 500 EV pilot program.

Miscellaneous Topics:

Employee Awards Celebration

Annual Board of Directors Christmas Gathering on December 21.

Other Discussion:

Mike Cobb described KEC's "Respect Rural Kentucky" initiative to educate and protect rural electric ratepayers.

Mike Cobb presented a plan to distribute handouts containing Owen's mission statement to members and the general public.

Mike Cobb presented and discussed Nucor's November 13, 2023, press release regarding its goal of Net-Zero Greenhouse for 2050.

ACCOUNTING

Mike Cobb presented the Accounting report for Erin Rehkamp in accordance with the summary attached hereto and made part of these minutes. Mike reported October margins of negative \$583,383.36 and year-to-date margins of \$3,204,835.28 compared to \$5,158,319.85 year-to-date last year. Mike reported the cost of power in October was 86 cents of every dollar of revenue.

MEMBER SERVICES

Mike Stafford presented the Member Services report for the month in accordance with the summary attached hereto and made part of these minutes. Mike reported accounts billed for the month of October, 2023, of 66,495 compared to 65,450 for the same period last year. Mike reported energy audits of 277 year-to-date compared to 310 for the same period last year.

Mike Stafford reported he had enrolled 1,109 thermostats in the Touchstone Cooperative "Direct Load Control" Program.

HUMAN RESOURCES

Mike Cobb presented the Human Resources report for the month of November, 2023, in accordance with the summary attached hereto and made part of these minutes. Mike reported the Coop has gone 175 days as of November 16, 2023, without a recordable incident and 250 days without a lost time injury. Mike reported the Coop currently has 124 full-time employees. Mike Cobb announced the re-convening of the threat assessment team.

OPERATIONS

Brian Jones presented the Operations report for the month of November, 2023, in accordance with the summary attached hereto and made part of these minutes. Turkeyfoot Acres project started October 31, 2023. Year-to-date of 2,083 miles of line inspected.

TECHNOLOGY

Jim Petreshock presented the Technology report for the month of November, 2023, in accordance with the summary attached hereto and made part of these minutes. Jim Petreshock also presented a notice from Meridian Cooperative regarding data breach; however, no protective information from Owen or its members were impacted.

ENGINEERING

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

COMMITTEE REPORTS

Bid, Budget & Planning Committee – Mike Cobb and Alan Ahrman discussed with the Board the November 13, 2023, Bid, Budget and Planning Committee meeting in accordance with the minutes of same, a copy of which is attached hereto and made part of these minutes.

2024-2025 CONSTRUCTION WORK PLAN

Jennifer Taylor presented the Construction Work Plan.

On motion by Alan Ahrman, second by Rick Messingschlager, the Board voted unanimously to approve the 2024-2025 Construction Work Plan as presented.

2024 BUDGET

On motion by Alan Ahrman, second by Rick Messingschlager, the Board voted unanimously to approve the 2024 Budget as presented by Management.

POLICY 126 On motion by Rick Messingschlager, second by Charlie Richardson, the Board voted unanimously to approve Policy 126 attached to these Minutes as recommended by management.

**DOCUMENT/
CHECK SIGNING
AUTHORITY**

On Motion by Hope Kinman, second by Alan Ahrman, the Board voted unanimously to authorize Erin Rehkamp to sign on behalf of the Coop any and all Owen Electric Cooperative, Inc., documents, checks, bank accounts, and/or Coop paperwork in lieu of Teresa Hamilton.

**RUS ACCESS
RESOLUTIONS**

On motion by Rick Messingschlager, second by Charlie Richardson, the Board voted unanimously to approve the attached RUS Resolutions, summarized as follows:

RESOLVED that Michael L. Cobb, the President/CEO of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture, any and all data required by RD Apply Intake System;

RESOLVED that Erin Rehkamp, the VP of Corporate Services, of the Corporation, be the Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with the RD Apply Intake System;

RESOLVED that both shall comply with the Instructions for RD Apply Intake System in regard to use of the government's data collection system.

EKPC REPORT

Alan Ahrman gave the November, 2023, KPC 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 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 reported on the November 2023 KEC meeting in accordance with the summary and minutes of said meeting prepared by the KEC staff. A copy of which is attached hereto.

ATTY. REP. Jake A. Thompson reported there was no new litigation for the month.

TRAINING/MEETINGS

OEC Regular Board Meeting - December 21, 2023

OEC Regular Board Meeting - January 25, 2024

KEC Legislative Night – February 21, 2024

OEC Regular Board Meeting - February 29, 2024

NRECA Power Xchange - March 3-6, 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

OEC Regular Board Meeting – May 30, 2024

Membership Appreciation Days – June 6-7, 2024

Annual Business Meeting – June 7, 2024

OEC Regular Board Meeting – June 27, 2024

CoBank Energy Directors Conference – July 17-19, 2024

OEC Regular Board Meeting – July 25, 2024

KEC Annual Meeting – August 12-13, 2024

OEC Regular Board Meeting – August 29, 2024

OEC Regular Board Meeting – September 26, 2024

NRECA Regional Meeting – October 7-9, 2024

OEC Regular Board Meeting – October 31, 2024

CONFERENCE

REPORTS None.

OLD BUSINESS

None.

NEW BUSINESS

None.

**EXECUTIVE
SESSION**

None.

ADJOURN

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

Chairman



Secretary





A Division of Owen Industries, Inc.

REGULAR BOARD MEETING

NOVEMBER 16, 2023

- 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

Erin Rehkamp

Employee **Spotlight**

OWEN Electric

A Touchstone Energy Cooperative 

Erin Rehkamp-Vice President of Corporate Services



Employee Spotlight

OWEN Electric

A Touchstone Energy Cooperative 

Wyatt Hartman-Field Service Representative



Review/Discuss Member Compliments and/or Concerns

Review Agenda

- Review New Members: 465
(Listing on Board Table & in Board Paq)
- Review Listing of Terminated Accounts:
299 Members at \$30,192.63
(Listing on Board Table & in Board Paq)

Review of President's, Directors' and Consultant Expenses

- Approve Uncollectible Member Write-offs:
58 Members at \$9,171.67
(Listing on Board Table and in Board Paq)
- Approve Payment of Capital Credits: \$31,759.69
(Tab 11)
- Approval of Consent Agenda Items
 - Motion _____
 - Second _____

President/CEO Report November 16, 2023 Board Meeting



President's Report Topics

- NERC Winter Reliability Assessment
- Balance Scorecard: Performance (Thru. 3Q - 2023)
- Update on Pilot Rate for EV Charging
- Miscellaneous Topics
 - Employee Awards Celebration
 - Annual Board of Directors Christmas Gathering
- Other Discussion



November 2023

2023–2024 Winter Reliability Assessment

A large portion of the North American BPS is at risk of insufficient electricity supplies during peak winter conditions (Figure 1). Prolonged, wide-area cold snaps threaten the reliable performance of BPS generation and the availability of fuel supplies for natural-gas-fired generation. As observed in recent winter reliability events, over 20% of generating capacity has been forced off-line when freezing temperatures extend over parts of North America that are not typically exposed to such conditions. When electricity supplies become constrained, BPS system operators can face a simultaneous sharp increase in demand as electric heating systems consume more power in cold temperatures. These areas (see Figure 1) are at greatest risk for electricity supply shortfalls this winter:

Key Findings

This WRA covers the upcoming three-month (December–February) winter period. This assessment provides an evaluation of the generation resource and transmission system adequacy necessary to meet projected winter peak demands and operating reserves. This assessment identifies potential reliability issues of interest and regional risks. The following findings are the ERO Enterprise’s independent evaluation of electricity generation and transmission capacity as well as the potential operational concerns that may need to be addressed for the upcoming winter:

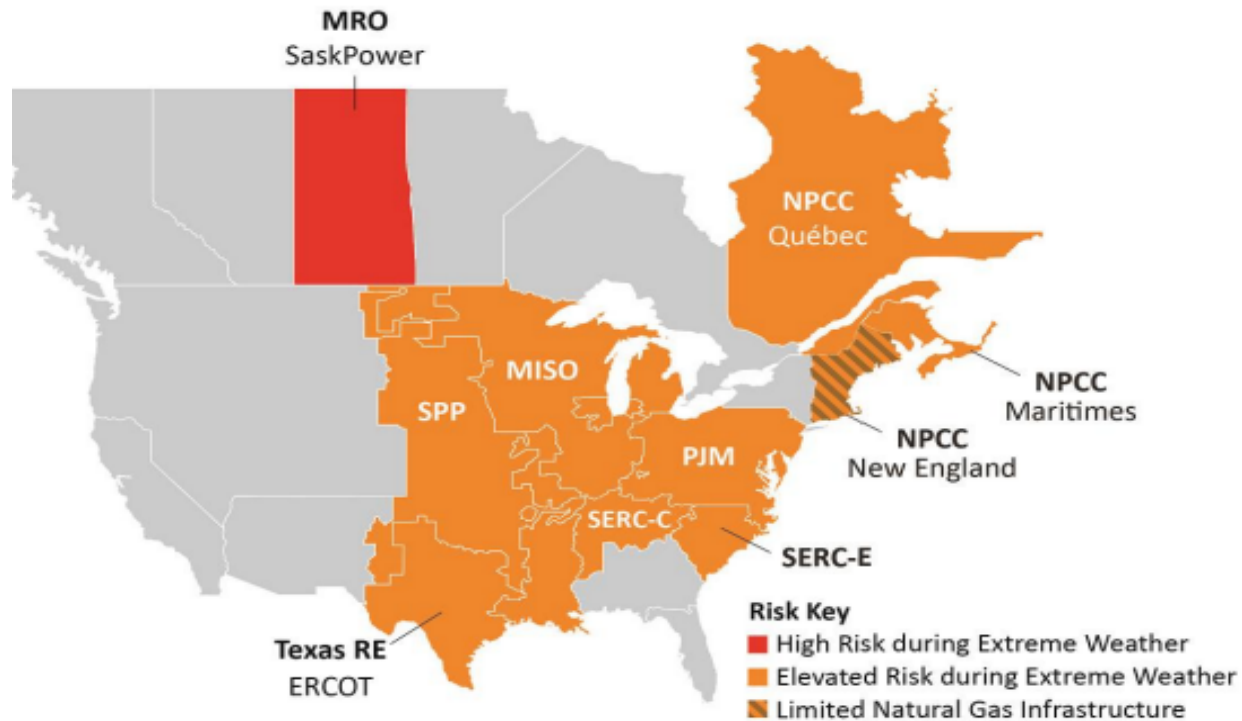


Figure 1: Winter Reliability Risk Area Summary

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

Balanced Scorecard

2023 Performance Goals/Results (Thru 3Q)

OWEN ELECTRIC COOPERATIVE
2023 PERFORMANCE INDICATORS
BALANCED SCORECARD - BENCHMARKS VS ACTUALS

AREA	#	INDICATOR	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter				Annual	Annual Targets		
			Threshold	Target	Stretch	Actual	Threshold	Target	Stretch	Actual	Threshold	Target	Stretch	Actual	Threshold	Target	Stretch	Actual	Actual	Threshold	Target	Stretch
Safety	(1)	Recordable Incident Rate																	na	1.54	0.76	0.00
	(2)	Severity Rate	6.48	3.24	0.00	17.45	16.22	8.11	0.00	54.03	6.48	3.24	0.00	0.00	3.24	1.62	0.00	na	#VALUE!	32.42	16.21	0.00
Reliability (Filtered)	(3)	SAIDI	21.162	17.002	15.617	19.230	29.295	23.537	21.618	27.130	26.267	21.104	19.384	27.690	15.206	12.217	11.221	na	#VALUE!	91.930	73.860	67.840
	(4)	SAIFI	0.220	0.196	0.173	0.190	0.334	0.296	0.262	0.260	0.323	0.287	0.254	0.310	0.193	0.171	0.152	na	#VALUE!	1.070	0.950	0.840
Cost	(5)	Controllable Exp. Per Member																	na	\$ 305	\$ 302	\$ 299
Member Service	(6)	Member Satisfaction Scores																	91	84	85	86
Individual Award - Safety and Cyber Training 100% Completed																				100%	100%	100%
Individual Award - Safety Observation Must Be Shared and Documented During the Year																				100%	100%	100%

- (1) (Deaths + Cases of Days Away + Cases of Job Transfers + Cases of Other) * 200,000 / Total Quarter Hours Worked
 (2) (Number of Days Away + Number of Days Job Transfers) * 200,000 / Total Quarter Hours Worked
 (3) Average time in minutes a member is without power
 (4) Average number of interruptions per member
 (5) Controllable expenses per Form 7 divided by average number of billed accounts (excluding Acct #593.20 - Right of Way)
 (6) Member Satisfaction Score
 (7) All safety and cyber modules must be 100% completed to earn payout
 (8) One safety observation must be shared and documented during the year to earn payout

Legend:	Threshold
	Target
	Stretch
	Missed



Balanced Scorecard

2023 Performance Goals/Payouts Earned (Thru 3Q)

2023 Results (Category Achieved)

KPI	Q1	Q2	Q3	Q4
Recordable Incident Rate	PAID OUT ANNUALLY			\$ -
Severity Rate	\$ -	\$ -	Stretch	\$ -
SAIDI	Threshold	Threshold	\$ -	\$ -
SAIFI	Target	Stretch	Threshold	\$ -
Customer Satisfaction Scores	PAID OUT ANNUALLY			Stretch
Controllable Cost	PAID OUT ANNUALLY			\$ -



Update on 2023 Pilot Rate for EV Charging

charge
kentucky

Kentucky's Touchstone Energy® Cooperatives 



EV Home Charging DR Program Pilot



Pilot Rate for EV Charging

Status: Tariff awaiting Commission Approval
Projected implementation: Early Q1 2024

EV Home Charging DR Pilot

- Pilot for 3 years with up to 500 EVs – residential only
- Cost-effective program
- \$0.02 incentive per kWh charged off-peak (~20% discount on kWhs)
- No disincentives from TOU rates and no “control” by the utility
- Requires EKPC to obtain kWh charging per hour for participating EVs
 - Several companies offering to utilities kWh consumption data for the EVs while at the residence
- Program sign-up online webpage and portal – similar to Cooperative Solar
- No cost to the participants to implement!
- Participants programs EVs (1 time) to start charging at 10 PM and stop at 6 AM



Annual December Board of Directors Christmas Gathering December 21st

OWEN ELECTRIC COOPERATIVE

Present and past directors, legal
counsel, and President/CEO's along
with their spouse/guest
Are invited to attend the Owen Electric
Cooperative Board of Directors Annual
Christmas Gathering

On Thursday, December 21st, 2023 in
the OEC Headquarters Community
Room

Breakfast will be available at 9:00AM
The Annual Christmas Luncheon will
follow at 12:00 Noon

Please RSVP to Christel at: 502-563-3501
or 800-372-7612, Ext. 3501

By Thursday, December 14th.



Employee Awards Celebration December 8th

December 2023

The Board of Directors and Management of Owen Electric are thankful to each employee for the hard work and dedication you have given to serving our members with high-quality, courteous service. We clearly recognize that the way we differentiate ourselves from our competitors is to have well trained and motivated employees who work safely and are focused on providing our members with the service they expect and deserve.

As a token of our appreciation for your dedication please accept the enclosed \$15.00 Kroger Gift Card, along with a customized Owen Electric sweatshirt.

Again, from the Board of Directors and the Management Team, we thank you for your dedication and wish each of you and your family a Safe, Joyful Holiday Season and a Happy, Healthy New Year!

Sincerely,

Michael Cobb

Accounting Reports for October 2023

Board Meeting
November 16, 2023



Accounting Department

Board Report

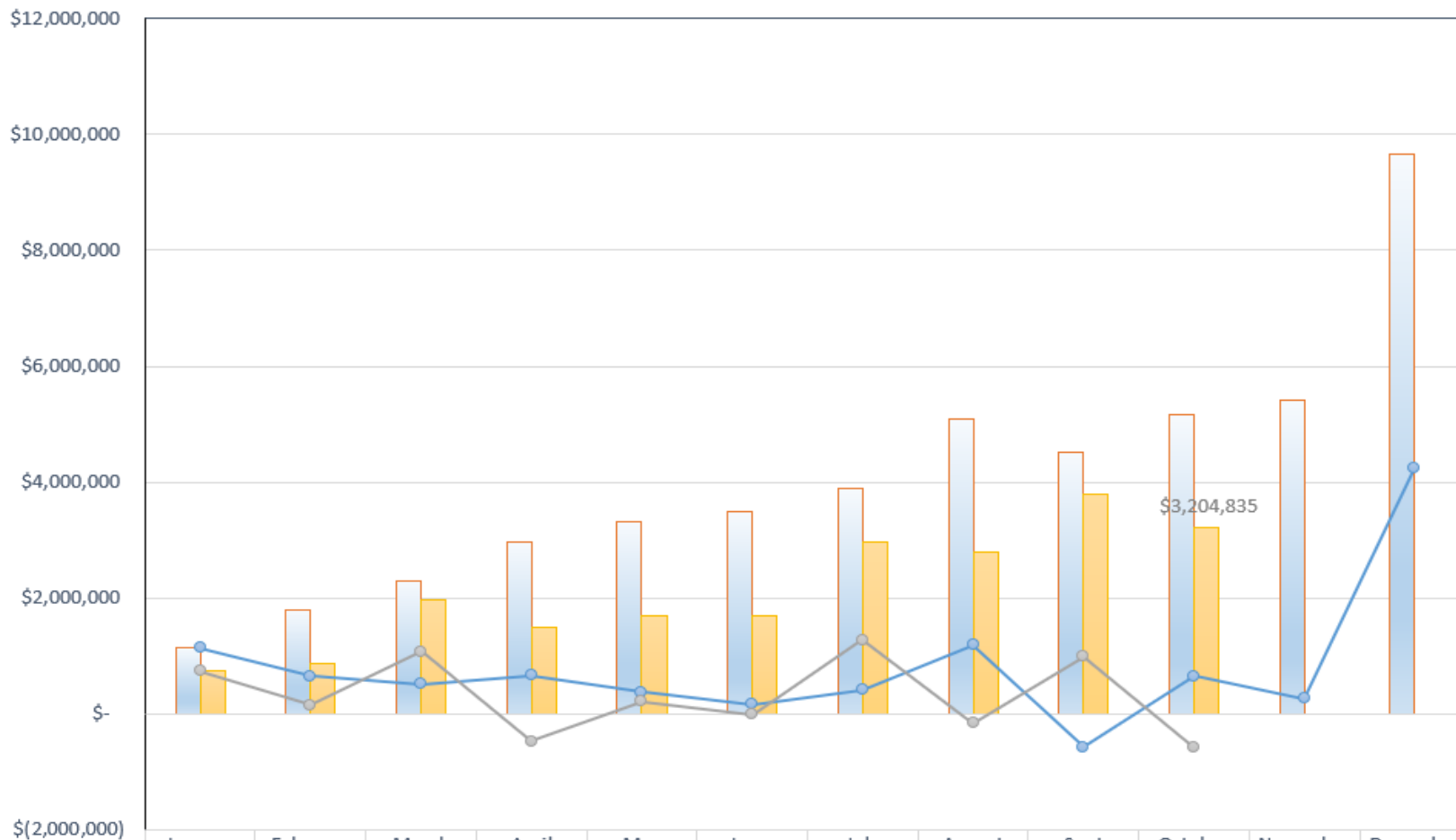
November 16, 2023

- ✓ October Financials
- ✓ Power Cost / Revenue
- ✓ Key Ratios
- ✓ Temporary Investments

- ☐ FEMA – All paperwork has been submitted to State of KY:
Awaiting receipt of funds.
- ☐ Employee Retention Credit status: Still Pending

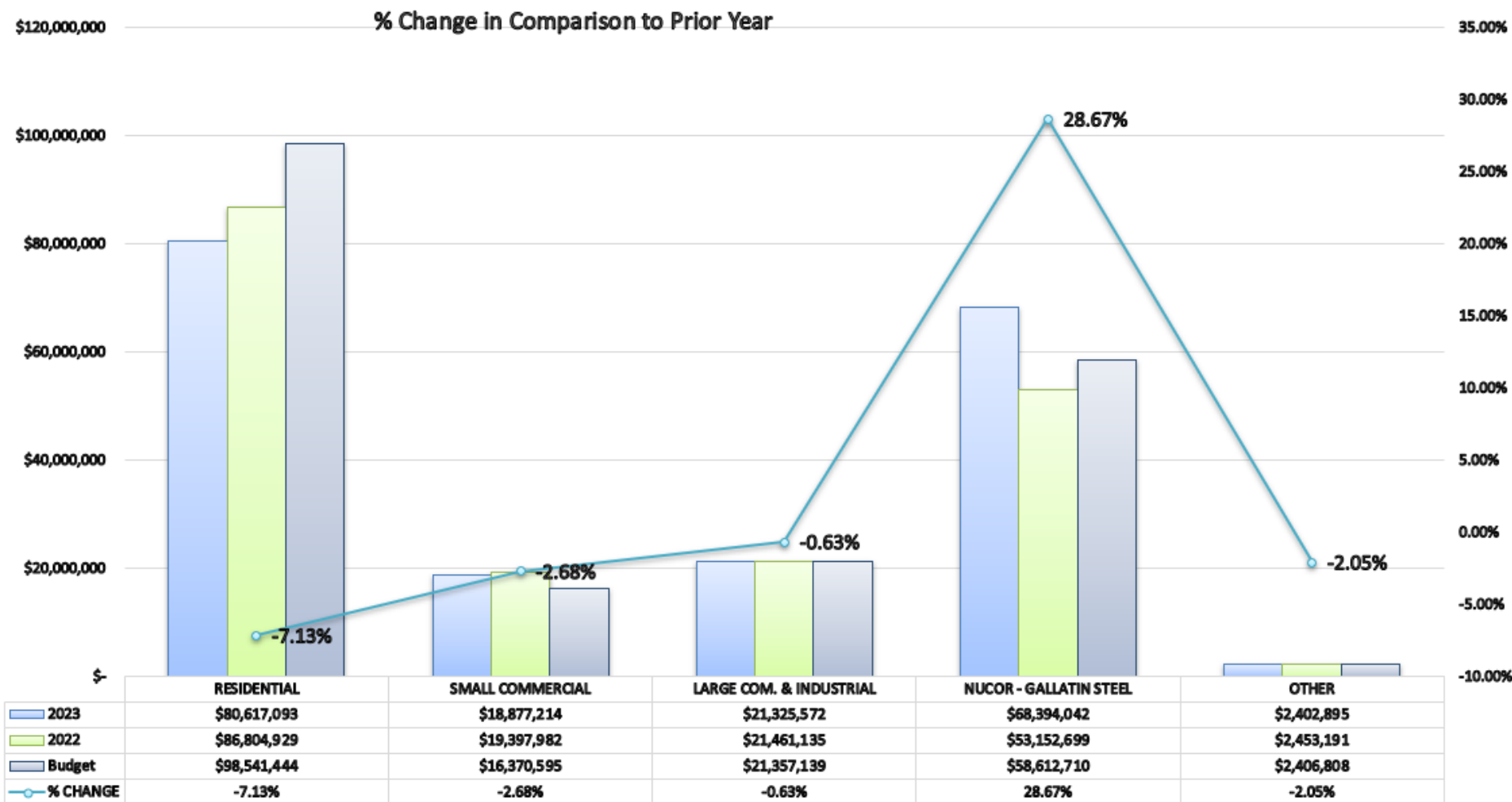
Month to Month and YTD Comparison with YTD amount posted for 2023

Net Margins



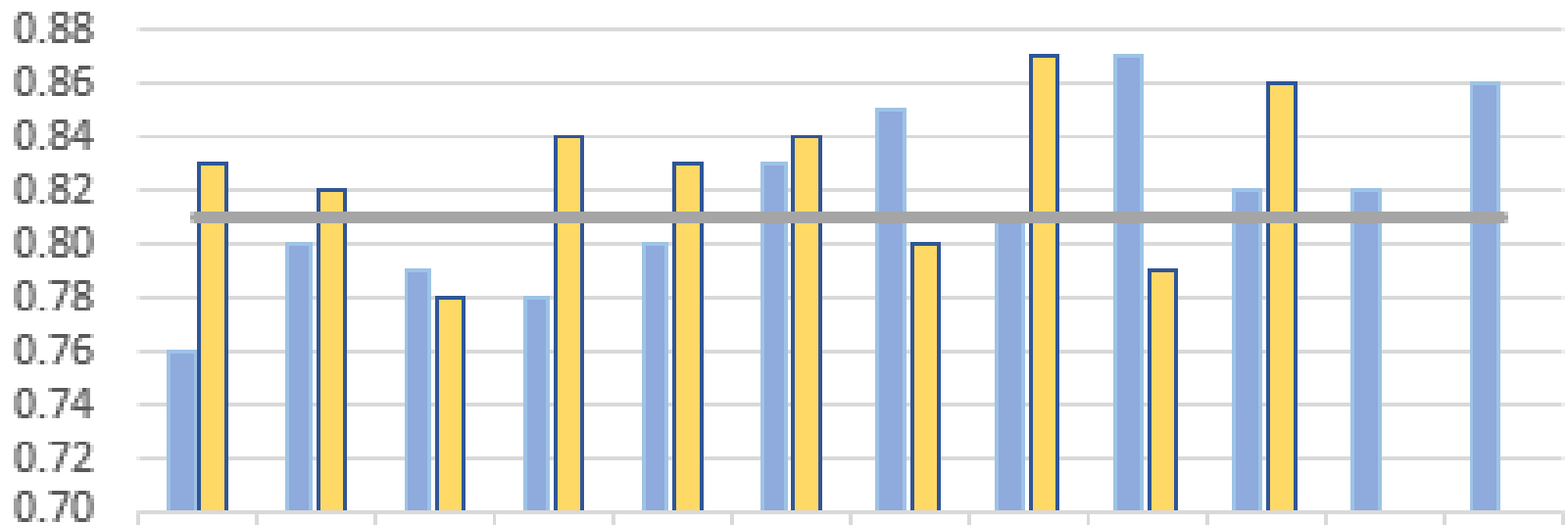
2022 YTD 2023 YTD 2022 Monthly Totals 2023 Monthly Totals

Revenue Performance for Different Sectors



For Every Dollar Earned in Revenue
\$.86 represented purchase power expense in October 2023

Power cost to Revenue



2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	0.83	0.82	0.78	0.84	0.83	0.84	0.80	0.87	0.79	0.86		
Budget	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81

2022 2023 Budget

Statement of Operations
Variances from Last Year and Budget

October 2023

	<i>THIS YEAR</i>	<i>LAST YEAR</i>	<i>VARIANCE</i>		<i>THIS YEAR</i>	<i>BUDGET</i>	<i>VARIANCE</i>
Operating Revenue	194,577,204	186,078,253	8,498,951		194,577,204	199,892,955	(5,315,751)
Less: Cost of Purchased Power	160,392,271	151,191,355	9,200,916		160,392,271	161,085,781	(693,509)
Net Revenue	34,184,933	34,886,898	(701,966)		34,184,933	38,807,175	(4,622,242)
Controllable Cost	18,605,486	18,007,825	597,662		18,605,486	19,534,024	(928,538)
Depreciation and Amortization Expense	10,394,900	9,714,064	680,836		10,394,900	10,185,310	209,590
Interest on Long Term Debt	2,874,798	2,604,766	270,031		2,874,798	2,616,635	258,163
Interest Expense - Line of Credit	116,703	8,357	108,346		116,703	72,917	43,786
Other Deductions	47,585	57,041	(9,456)		47,585	52,500	(4,915)
Total Expenses (less Power Cost)	32,039,472	30,392,052	1,647,420		32,039,472	32,461,386	(421,914)
Members' Margins	2,145,461	4,494,846	(2,349,385)		2,145,461	6,345,789	(4,200,328)
Non-Operating Margins - Interest/Other	646,615	374,164	272,451		646,615	386,007	260,608
Generation & Transmission Capital Credit	-	-	-		-	-	-
Other Capital Credits & Patronage Dividend	412,758	289,310	123,449		412,758	116,000	296,758
Net Margins	3,204,834	5,158,320	(1,953,486)		3,204,834	6,847,795	(3,642,961)

*Distribution Equity is based on Policy 319**Benchmarks are based on debt covenants*

<u>KEY METRICS</u>	<u>YTD</u>	<u>Rolling 12 Month</u>	<u>Benchmark</u>
T.I.E.R (TIMES INTEREST EARNED)	2.115	3.009	1.25
O.T.I.E.R (OPERATING)	1.746	-	1.10
DSC (DEBT SERVICE COVERAGE)	3.149		1.35
ODSC (OPERATING)	-	2.575	1.35
MDSC (Modified Debt Service Coverage)		2.084	1.35
DISTRIBUTION EQUITY	-	32.07%	20%-35%
TOTAL EQUITY	-	53.31%	>27%
CURRENT RATIO		1.771	> 1.0
DAYS of CASH on HAND	115		100

October 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 Notes	\$ 1,477,000	4.77%	12/15/2023	393	\$ 76,911
CFC Notes	\$ 3,000,000	3.89%	8/15/2024	744	\$ 237,876
CFC Notes	\$ 2,000,000	5.51%	1/3/2024	99	\$ 29,890
CFC Notes	\$ 3,000,000	5.78%	3/25/2024	181	\$ 85,987
CFC Notes	\$ 5,000,000	5.86%	7/15/2024	290	\$ 236,028
				Total at Maturity	\$ 666,692
CFC Commerical Paper		Various	4.92% - 5.17%		\$ 25,873.84

October 2023
Thank you



Signed financials for October 2023 will be included in Board Paq



OWEN Electric

Your local co-op since 1937

MEMBER SERVICES REPORT

NOVEMBER 16, 2023



October 2023 Statistics

Member Account Activity	Current Month 2023	Last Month 2023	Same Period Last Year 2022
Bank Deposits	\$13,572,405.05	\$14,106,903.59	\$13,643,589.21
Accounts Billed	66,495	66,318	65,450
Total Billing (Excluding Taxes)	\$11,084,810.30	\$13,532,310.78	\$11,032,514.48
Delinquent Notices Mailed	9,671	7,838	8,966
Total Delinquent Amount	\$1,775,649.37	\$1,368,180.29	\$2,187,728.03
Total Penalty Amount	\$88,246.54	\$68,232.91	\$88,065.86
Number of Arrangements	1,312	1,465	1,354
Total Amount of Arrangements	\$275,792.67	\$304,492.91	\$287,348.11
Return Check Amount	\$31,050.44	\$15,657.04	\$37,249.95
Number of Return Checks	125	80	93
Office Pymts (Walk-in & Drive-thru)	3,133	2,973	2,950
Cutoff Tickets	2,188	1,608	1,512
Actual Cutoffs	1,173	738	380
New Accounts Set Up	658	537	605
Service Orders	3,170	2,470	2,483
Calls Answered by Member Services Reps	8,746	8,518	8,202
Telelink Calls	24,228	26,234	24,521
Member Services Collection Program	\$5,002.22	\$2,315.78	\$7,036.92
Total Collections by Member Services	\$1,031,478.65		

*

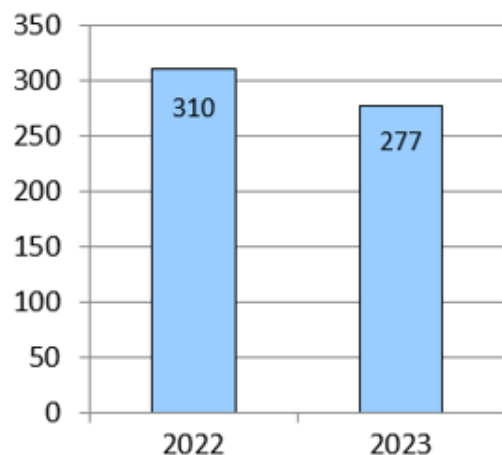
	OCT. '23	SEP. '23	OCT. '22
COINCIDENT PEAK <i>(kW)</i>	191,151	254,822	186,906
ENERGY <i>(kWh</i> <i>MEASURED @ SUBS)</i>	98,294,816	107,621,176	96,635,746
AVERAGE TEMPERATURE <i>(MEASURED @ CVG)</i>	57.2°	68.9°	54.9°
B RATE TOTALS (kW) & PERCENTAGE OF TOTAL LOAD	33,385	32,792	35,863
	17.47%	12.87%	19.19%

***does not include Nucor**

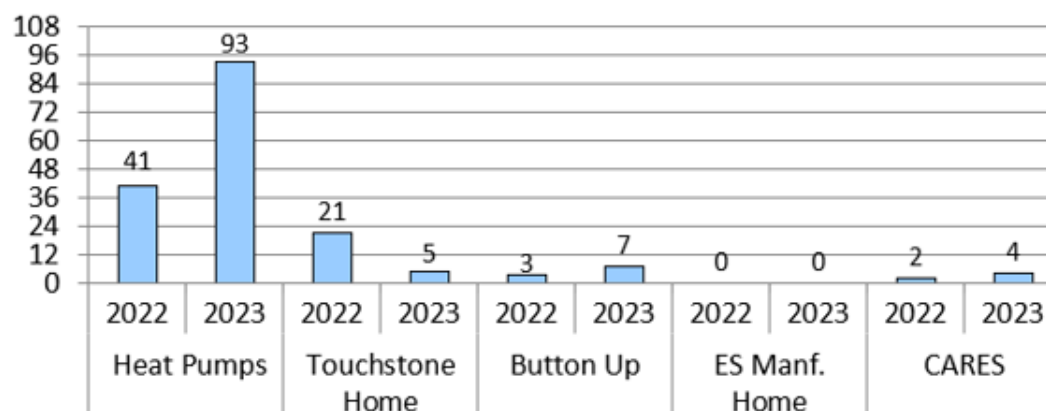


Energy Programs Report

**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	4	HVAC	2,613
Water Heater	0	3	Water Heater	1,620
Thermostat	68	2	Thermostat	1,109
Totals	68	9	Totals	5,342



Human Resources Board Report

November 16, 2023

SAFETY Report



* Southshore Energy Cooperative

November 2023

Leading Indicators

Safety Culture Score 2019 = 90%

Crew Visits		1
Safety Suggestions		60%
Near Miss Reports		2
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		0
OEC Vehicle Accidents		1
Other Incidents		0

4th
Quarter

Note: All Stretch Goals Are 0.00

SAFETY Report



November 2023

SAFETY IS NO ACCIDENT

WE HAVE WORKED

175

DAYS

WITHOUT A RECORDABLE
INCIDENT

As of 11/16/2023

WE HAVE WORKED

250

DAYS

WITHOUT A LOST TIME INJURY

SAFETY Report



November 2023

Summary

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 20,188 hours from 10/1/2023 to 10/31/2023
We have 124 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.

The Threat Assessment Team has reconvened and is currently working on a plan to consistently train, communicate, and investigate member and employee threats including but not limited to an active shooter situation. This will include active involvement with law enforcement and first responders.

There will be ongoing training in the coming months with the crews in the field concerning the role of a "designated observer" when performing energized work within minimum approach distance.

On 10/27/23 an OEC employee had a vehicle accident that involved a member of the public that side-swiped one of our small bucket trucks on Hwy 22 in Pendleton County Ky (Falmouth). Our vehicle has severe damage to the driver's side bed/boxes and tail-shelf. The other driver's vehicle suffered similar damage to his 2022 Ford F250 that was pulling a loaded trailer when he crossed the centerline into our OEC bucket truck. Our driver was alert and avoided a much worse outcome!

Coincidentally, a near miss reported by two service technicians involved a vehicle nearly running into them while they were patrolling a line in the middle of the day on 10/23/23.

Another near miss was reported by a lineman who was re-energizing a transformer. Upon making connection the jumper broke free from the transformer and swung energized into the system neutral de-energizing the section of line they were working on.

All accidents and near misses were effectively communicated with the appropriate employees.



OWEN *Electric*

A Touchstone Energy Cooperative 

2023 HUMAN RESOURCES, MEDICAL PLAN UPDATE

STAFFING UPDATE

Member Services Staffing

All positions have been filled at this time. Wyatt Hartman is our newest FSR and started on November 6th.

Engineering Staffing

A vacancy for Metering Services Coordinator remains open.

Operations

A vacancies have been filled.

Safety/HR/Accounting

The VP of Corporate Services has been filled by Erin Rehkamp. Start date is pending but should be by the week of November 13th.

Currently as of October 19th we have 124 full-time employees.



Operations Board Report

November 2023



CWP Progress

- Turkeyfoot Acres – Phase 3
 - Started 10/31/23
- Bristow Sub – KDOT – Hwy 536 road widening
 - Bristow Sub to Williams Woods Subdivision
 - Complete
- Webster Rd – Ph 1 – Independence Station Rd
 - Complete
- Webster Rd Conversion – Ph 2 - 1ph to 3ph
 - 50% complete



Fleet Update

- 2022 Fleet Budget Items
 - (2) Ford F600 w/47' booms due in by end of Sept. – Received
 - (2) Ford F550 w/36' booms due in by end of Nov. – Received
 - (1) International w/55' boom possibly going into 2024
- 2023 Fleet Budget Items
 - (4) Ford F600 w/47' booms due in sometime in 2024
 - (2) Due to receive mid December
- 2024 Fleet Budget Items
 - (6) Chevrolet 2500 chassis' preordered for Crew trucks in 2024



Technology Report

November 2023



Engineering

Jennifer Taylor

2023 Reliability KPI

	Q1	Q2	Q3	Q4	YTD
SAIDI	19.24	27.13	27.69	3.38	77.410
SAIFI	0.190	0.260	0.310	0.050	0.810
MED	3	0	1	0	3

THRESHOLD
TARGET
STRETCH

October was a mild month for outages.

2024-2025 Construction Work Plan

RUS Form 740C Category	Category Name	2024 CWP Costs	Previous CWP
100	New Distribution Line	\$13,690,447	\$10,611,713
300	Line Conversion & Replacement	\$4,718,700	\$4,585,430
600	Misc. Equip. & Poles	\$24,836,317	\$27,559,596
611	Road Relocations	\$2,161,000	\$1,855,000
700	Outdoor Lights, SCADA, AMI H/W & S/W	\$1,599,228	\$773,451
	2 yr Construction TOTAL	\$47,005,692	\$45,385,190

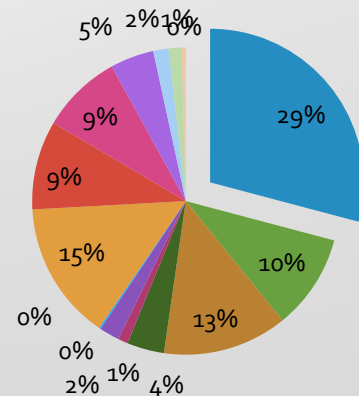
CWP Cost Breakdown:

Code 100: Line Extensions

Type	Projected New Consumers	Sub Total
Overhead	440	\$2,471,855
Underground	2,000	\$9,783,592
Three Phase	40	\$1,435,000

Total: \$13,690,447

Approximately 20 active subdivisions in design.

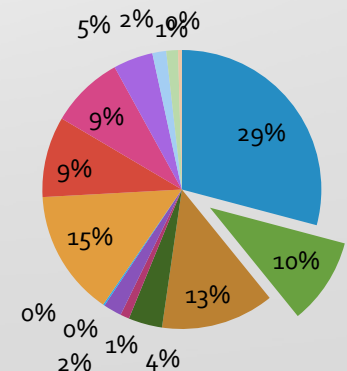


CWP Cost Breakdown:

Code 300: System Improvements

Purpose	Percentage (of 300's)	Sub Total
New Developments	27%	\$1,267,700
Contingency/ Aging	48%	\$2,251,000
Voltage or Overloads	25%	\$1,200,000

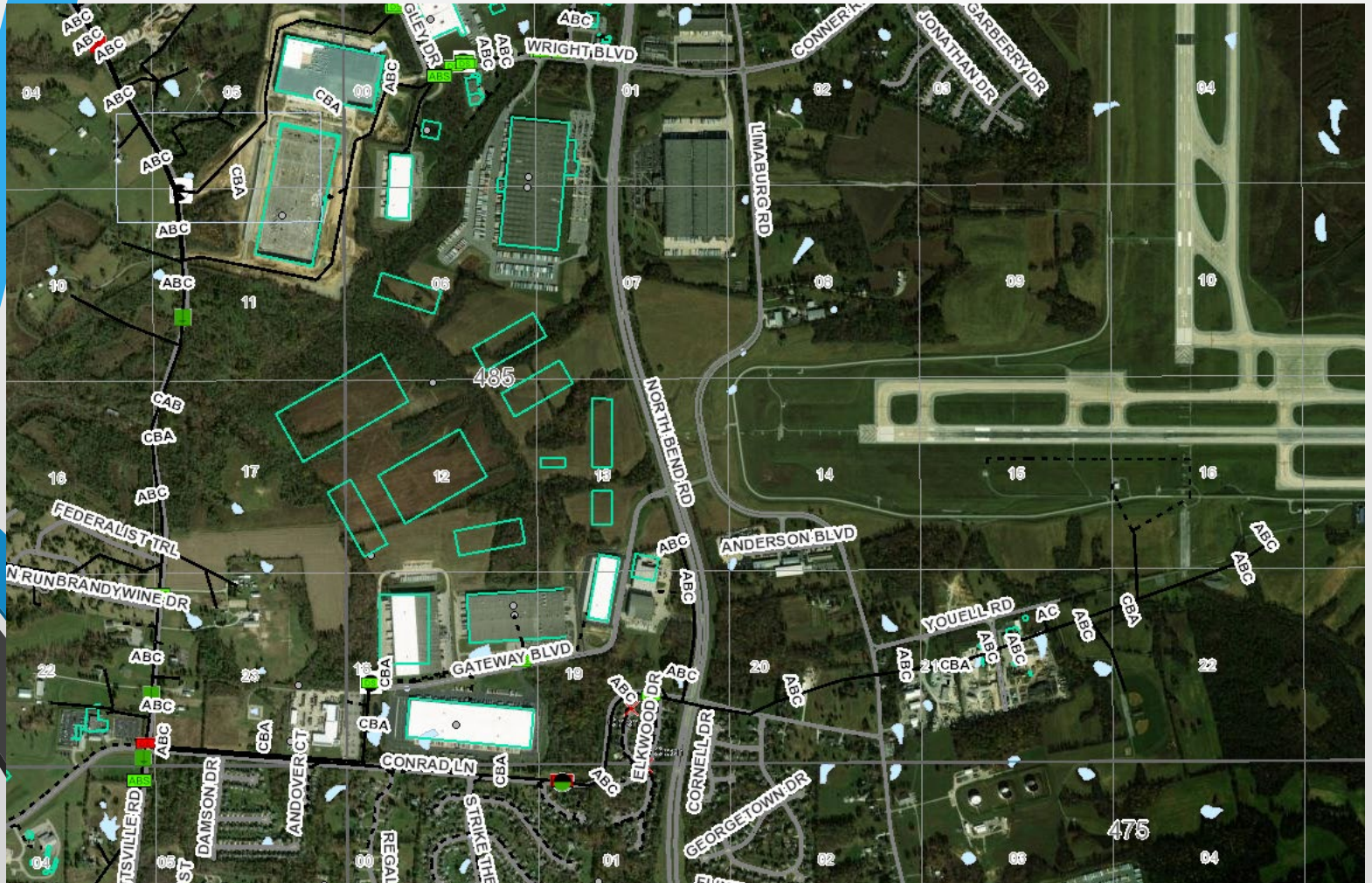
Total: \$4,718,700



Park 536: Van Trust Group, 3-4 buildings



CVG7: Hemmer Builders: 9-10 buildings



Spalding Apartments: Hills Property, 8 bldgs., 400+ units total

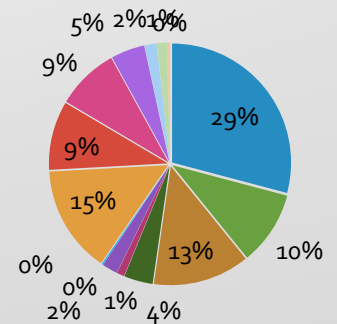


CWP Cost Breakdown:

Code 600: Construction Items

Type	Sub Total
Pole Changes (not JU)	\$6,852,516
Misc. Replacement	\$4,400,000
Aged Conductor (1ph)	\$4,000,000

There is approx. 170 miles of single phase 6A conductor on system.

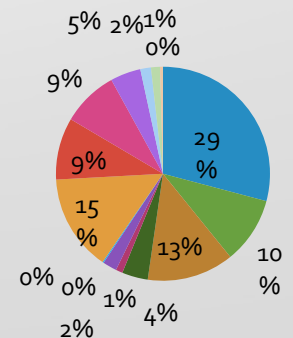


CWP Cost Breakdown:

Code 611: Road Relocations

Project	DOT Reimbursement	OEC Total (less reimbursement)
Hwy 1303 to Beechgrove	0%	\$1,220,000
Gunpowder	0%	\$225,000
Frogtown Rd	0%	\$501,000
Graves/Cardinal Roundabout	0%	\$110,000
Camp Ernst Widening	12%	\$90,000
Mineola Pike Cleanup	0%	\$15,000

Total: \$2,161,000





Review/Discuss/Approve- 2024-2025 Construction Work Plan

Motion:_____

Approve:_____



Review/Discuss/Approve- 2024 Budget

Motion:_____

Approve:_____

2024 OPERATING BUDGET RECOMMENDATIONS

Revenues	\$	260,658,425
Total Cost of Electric Service	\$	<u>256,251,472</u>
Operating Margins	\$	<u>4,406,953</u>
Non Operating Margins*	\$	4,587,368
		<hr/>
Total Patronage Capital or Margins	\$	<u><u>8,994,321</u></u>

Debt Covenants	RUS Requirement	2024 Budget
Tier	1.25	3.37
OTIER	1.1	2.16
DSC	1.25	4.08
ODSC	1.1	3.37

* EKP Patronage Capital estimated \$ 3,457,168

Owen Electric Cooperative

Statement of Operations

Budget 2024

	2022	(1) Projected 2023	(2) Budget 2023	(3) Budget 2024	(3-1) Difference 2023/2024	% Change
Operating Revenue & Patronage Capital	227,863,483	236,430,027	236,528,988	260,658,425	24,228,399	10.25%
Production Fuel, Operation & Maintenance	211,310	367,673	23,171	617,521	249,848	67.85%
Depreciation Expense DG		-	250,035	253,183	253,183	0.00%
Cost of Purchased Power	186,217,312	194,616,853	191,669,893	214,867,952	20,251,300	10.41%
Net Revenue	41,434,861	41,445,701	44,585,899	44,919,759	3,474,058	
Gross Margin%	18.28%	17.88%	18.97%	17.57%		
Distribution Expense-Operations	5,721,312	5,232,761	5,457,498	5,251,019	18,258	0.35%
Distribution Expense-Maintenance	5,988,699	6,704,506	7,462,233	6,873,707	169,202	2.52%
Consumer Accounts Expense	3,980,843	4,084,242	4,097,137	4,481,528	397,287	9.73%
Customer Service & Information Expense	788,772	716,295	753,424	816,104	99,809	13.83%
Administrative & General Expense	4,986,431	5,222,834	5,639,255	5,949,993	727,159	13.82%
Total Operations & Maintenance Expense (less power cost)	21,466,057	21,960,637	23,439,545	23,372,352	1,411,714	6.43%
Depreciation & Amortization Expense	11,766,884	12,469,102	11,972,337	13,177,320	708,218	5.88%
Interest on Long Term Debt	3,136,414	3,382,986	3,142,155	3,797,398	404,461	11.82%
Interest Expense Other	15,823	147,696	87,500	102,737	(44,959)	-30.44%
Other Deductions	58,787	54,565	63,000	63,000	8,435	15.46%
Total Cost of Electric Service	222,872,507	233,009,263	230,647,636	256,251,472	2,487,869	1.07%
Patronage Capital & Operating Margins	4,990,976	3,420,763	5,881,362	4,486,953	986,190	28.83%
Non Operating Margins-Interest	343,885	691,100	463,208	1,016,200	325,100	47.04%
Non Operating Margins-Other	125,846	15,000	-	-	(15,000)	-100.00%
Generation & Transmission Cap. Credits	3,912,026	4,195,238	4,195,230	3,457,168	(738,062)	-17.59%
Other Capital Credits & Patronage Dividends	288,309	412,758	116,000	114,000	(298,758)	-72.38%
Patronage Capital or Margins	9,661,962	8,734,851	10,655,800	8,994,321	259,469	2.87%
TIER	4.08	3.57	4.38	3.37	1.25	RUS Requirement 1.1
Operating TIER	2.59	2.01	2.87	2.16	1.1	
DSC		2.24	2.88	4.08	1.25	
ODSC		1.76	2.44	3.37	1.1	
Average Members	65,227	65,129	63,923	66,688		
Controllable Cost/Average Member	\$ 329.10	\$ 337.19	\$ 366.68	\$ 350.47		

CFC Controllable Cost Per Member (2022 KRTA):

by US	\$583
by State	\$387
by Consumer State	\$408
by Major Supplier	\$365
by Plant Growth	\$562

Review/Discuss/Approve- Policy 126

Motion: _____

Approve: _____

Review/Discuss/Approve- Document/Check Signing Authority

Motion: _____

Approve: _____

Review/Discuss/Approve- RUS Access Resolution

Motion: _____

Approve: _____



SECRETARY'S CERTIFICATE

I, Hope Kinman, do hereby certify that: I am the Secretary of Owen Electric Cooperative (hereinafter the "Corporation;") that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the [regular/special] meeting held November 16, 2023, and entered in the minute book of the Corporation; that the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and that none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. **RESOLVED** that Michael L. Cobb, the [Manager/President] of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture, any and all data required by RD Apply Intake System;
2. **RESOLVED** that Erin Rehkamp, the VP of Corporate Services, of the Corporation, be the Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with the RD Apply Intake System;
3. **RESOLVED** that both shall comply with the Instructions for RD Apply Intake System in regard to use of the government's data collection system.

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

IN WITNESS THEROF I have hereunto set my hand and affixed the seal of the Corporation this 16th day of November 2023.



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

2023/2024 Board Meetings & Training

December 21, 2023-Regular Board Meeting, 9:00am, HQ-Owenton, KY

January 25, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

February 29, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

March 1-6, 2024-NRECA Power Xchange, San Antonio, Texas

March 28, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

April 6-9, 2024-NRECA Directors Conference, Nashville, TN

April 21-24, 2024-NRECA Legislative Conference, Washington, DC

April 25, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

May 30, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

June 6-7, 2024-Membership Appreciation Days

June 7, 2024-Annual Business Meeting, 6:00pm, Walton, KY

June 27, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

July 17-19, 2024-CoBank Energy Directors Conference, Boston, MA

July 25, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

August 12-13, 2024-KEC Annual Meeting, Louisville, KY

August 29, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

September 26, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY

October 7-9, 2024-NRECA Regional Meeting, Columbia, SC

October 31, 2024-Regular Board Meeting, 9:00am, HQ-Owenton, KY



Information Agenda

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