

UNITED ELECTRIC COOPERATIVE SERVICES, INC.

MONTHLY BOARD MEETING MONDAY, JULY 28, 2025

A regular meeting of the Board of Directors of United Electric Cooperative Services, Inc. (“UCS”, “Cooperative” or “United”) was held at the Cooperative’s offices at 2601 S. Burleson Blvd., Burleson, Texas on Monday, July 28, 2025.

Tommy Cantrell, President, presided and acted as Chairman of the meeting. Mr. Cantrell called the meeting to order at 9:28 AM. Harry Thompson acted as Secretary.

The following Directors were present, representing a quorum.

Tommy Cantrell
Harry Thompson
John Jones
Dennis Hughes

Ed Cardin
Patsy Dumas
Clif Hall

Also present were; Cameron Smallwood, General Manager/CEO; Rick Sorenson, Attorney; Marty Haught, Assistant General Manager/COO; Lindsey Mobley, Executive Assistant; Russell Young, Chief Financial Officer; Blake Beavers, Chief Membership Services Officer; Jared Wennermark, Chief Technical Officer; Quentin Howard, Senior Vice President of Organizational Transition; Robert Bernhoft, Senior Vice President of Technology Transition; Kevin Keesee, Vice President of Human Resources and Safety; Jeff Pannell, Vice President of Business and Community Development; Cory Menzel, Vice President of Information Systems and Security; Jim Galvin, Vice President of Risk Management and Power Supply; and Chris MacIntyre, Vice President of Internet Services.

Jeff Pannell provided the invocation for the meeting.

The following procedures were had (all action being first duly moved and seconded and all action being upon the unanimous vote of the board members present and without dissenting vote or abstention unless otherwise noted):

MINUTES APPROVED

President Cantrell presented the minutes and summary of the June 23, 2025 Board Meeting. Director Thompson made a motion, seconded by Director Jones, to approve the minutes and summary. The motion was adopted.

PRESIDENT’S REPORT

Recognize Member Requests for Board Meeting Attendance

President Cantrell recognized that for July 2025 there were no member requests to attend the board meeting.

August Board Meeting	President Cantrell reminded the board that the August 2025 Board Meeting is currently planned to be held at United's Burleson office on August 18, 2025.
Recognize Patsy Dumas on 35 Years of Service with United	President Cantrell recognized Patsy Dumas on 35 years of service on the board of directors with United. He and Mr. Smallwood thanked Director Dumas for her dedication to United over the years.
Review CFC Forum	Mr. Smallwood, along with Kevin Keesee, Russell Young, and Dennis Hughes attended the CFC Forum on June 30- July 2, 2025 in New York City, NY. The group enjoyed the general session and commented on the benefit of attending the many different breakout sessions during the meeting. Mr. Keesee shared that the Federated annual meeting was also held at the conference and he enjoyed the safety portions of the meeting.
Review Stephenville Community Meeting	Mr. Cantrell stated that United held a community meeting at the Stephenville office with himself and Director Hughes in attendance. The meeting had a good turnout and all members who were in attendance indicated that they subscribe to United internet. Mr. Smallwood stated that when he polled the members about managing power supply, all members in attendance confirmed that they wanted United to continue to manage the members' power supply.
Review NRECA Director Summer School	Mr. Hughes and Mr. Hall attended the NRECA Director Summer School in June. Mr. Hall stated that there was some overlap of attendees who attended the NRECA New Director Orientation who were also at this conference, so the networking opportunities were great. He expressed that he felt he was very prepared for this training based on his orientation with United staff, so he was able to offer good questions and feedback during his training sessions. Mr. Hughes also shared that he enjoyed the sessions on accounting, rates, and director service territories. Both Mr. Hughes and Mr. Hall completed the NRECA Credentialed Cooperative Director (CCD) Certification program during the NRECA Director Summer School and will be presented with their certificates at a future board meeting.
Review and Approve Voting Delegate and Alternate Voting Delegate for the NRECA Region X Meeting	President Cantrell conducted the election of the Voting Delegate and Alternate Voting Delegate for the National Rural Electric Cooperative Association's ("NRECA") 2025 Region X Meeting to be held in person on October 27, 2025 during the NRECA Region X Meeting in Round Rock, TX. Director Dumas made a motion, seconded by Director Cardin, to elect Director Thompson as the Voting Delegate and Director Cantrell as the Alternate Voting Delegate for the 2025 NRECA Region Meeting. The motion was adopted.

**Creation Approval of
Director Search and
Selection Committee
for Direct District 5**

Cameron Smallwood, General Manager/CEO, reviewed with the board of directors the Director Search and Selection Committee steps to date, and reported that due to Director Jones’s resignation from the board of United, effective January 31, 2025, the board needs to review and approve the District 5 Director Search and Selection Committee appointments. With President Cantrell having at the June 23, 2025 board meeting appointed Directors Hall, Thompson and Dumas to the Director Search and Selection Committee for the vacated board position in District 5, and appointed Director Hall as Chairman, the appointments of directors to Director Search and Selection Committee were made. These appointments were also ratified by the board at the June 23, 2025 board meeting. Pursuant to Board Policy 1070, Director Qualifications Compliance and Director Search, President Cantrell reported that he has also appointed to the Director Search and Selection Committee the following members as the three non-director members from Directorate District 5: Mark McClure, Paul Gnad and Angie Erinakes. A motion was made by Director Hughes and seconded by Director Dumas to ratify and approve the District 5 Director Search and Selection Committee (“Director Search Committee”) as presented. The motion was adopted.

Other Items

Mr. Smallwood discussed with the board that they will be receiving new credit cards and training will be done on how the new system will work when the new cards are distributed.

Mr. Smallwood reported that there were no petitions for any member to be placed on the ballots for the upcoming board election for Directorate Districts 6 and 7. In light of candidate Sharay Boynton being the unopposed candidate for election to the director position for District 6 and her not being an incumbent, Mr. Smallwood requested the board approve at this time Sharay Boynton’s orientation days to be held with United staff. Director Hall made a motion, seconded by Director Cardin, to approve Sharay Boynton’s participation in 4 orientation days to prepare her for joining the board in October, and to authorize payment by the Cooperative to her of the same fees and expenses reimbursement for participating in such training as would be received by a newly elected director of United. The motion was adopted.

**MANAGER’S
REPORT**

Cameron Smallwood, General Manager/CEO, discussed with the board several topics in this portion of the meeting.

Legislative Report

Daniel Gonzales with Gonzales Public Affairs & Consulting, United’s lobbyist, entered the meeting at 10:02 a.m., and commented on current governmental affairs. Mr. Gonzales reported that the 89th Texas Legislature concluded its regular session on June 2, 2025 and began special session on July 21st, which included 18 items on the agenda, many of which are a result of the devastating floods in the Texas Hill

Country. Upon completion of his report, Mr. Gonzales exited the meeting at 10:39 a.m.

Mr. Smallwood reviewed with the board that Daniel Gonzales's contract with United is expiring and requested the board give Mr. Smallwood the authority to renew Mr. Gonzales' agreement for additional one-year term. A motion was made by Director Thompson and seconded by Director Hall authorizing Mr. Smallwood to renew the contract with Gonzales Public Affairs & Consulting for the next 12 months at a cost of \$7,000 per month. The motion was adopted.

**Strategic
Plan/Objectives**

Mr. Smallwood discussed United's Strategic Priority #8- Collaboration and updated the board on the status of the objectives related to that strategic priority. Mr. Smallwood shared that the strategic priority on collaboration is to foster strong partnerships with local, state and national organizations, and other stakeholders to advance shared goals for the benefit of United's members. Staff is evaluating the potential of future power supply options by working with other cooperatives. Also, United has begun the transition from NRTC's excel-based financial model to Quantrix software platform. Lastly, through all avenues including NRECA, NRTC, Touchstone, CFC, CoBank, TEC, Rural Friends/AEC PAC, ERCOT, REMDC, and ALDC, United, through the participation of staff and other employees, is involved nationally, statewide, and locally on industry and other issues that could affect the membership of United.

Brazos Report

Mr. Smallwood reported on the Brazos Electric Power Cooperative, Inc. ("Brazos") Board Meeting of June 24, 2025. Copies of the Brazos Board Minutes were attached to the board packet for review prior to the board meeting.

**Succession
Management/
Transition**

Robert Bernhoft, Senior Vice President of Technology Transition and Quentin Howard, Senior Vice President of Organizational Transition, shared that over the next several months, they will be working with the staff and employee group to ensure a smooth transition as they prepare for Mr. Bernhoft's and Mr. Howard's retirements in 2027. In July, Mr. Howard completed the meetings with the department heads and their individual leadership teams for the first half of 2025, completed the transfer of ACRT invoice review, evaluation, and approval to Reid Carroll and Jared Wennermark, and began working with Cory Menzel and IS&T to re-vamp/centralize the way United's processes are stored and published for the employee group. In July, Mr. Bernhoft transferred the NRECA Threat Analysis Center (TAC) administration to Mr. Menzel and is training Mr. Menzel and the data team about process for the iXp version 24 upgrade. Mr. Bernhoft also reported that he had verified member dividend calculations with accounting.

STAFF REPORT

OPERATIONS AND COMMUNICATION

Operations Report

Marty Haught, Assistant General Manager/COO, provided an update to the board on the operations department. He presented information on productivity achievements, resource utilization, fleet challenges and budgetary topics. He also shared the completed work orders in June, as well as training courses and double-time events.

Communications Report

Mr. Haught provided an update to the board on the communications department at United. In this report, he presented communications schedules, social media activities, and internal and external communications. He also shared a United Fast Facts sheet that the communications department has created. This handy guide will be available to all board members, with facts on United, to be able to share with a member.

Election Communications Report

Mr. Haught discussed with the board the scheduling and procedure for the upcoming annual members meeting and the board election and Amendment to the Cooperative's Articles of Consolidation that is to, at the same time, be presented to the members of the Cooperative for a vote. The related Articles of Consolidation Amendment Resolution was adopted at the board's June meeting.

As part of these procedures for the annual members meeting, the bylaws provide for the determination by the board of the annual meeting scheduling, order of business, balloting, including whether or not to have electronic voting, and selection of an independent election service provider for electronic services including electronic balloting.

Mr. Haught reminded the board that procedurally United notifies the membership of the annual member meeting and election process in the September issue of *Texas Co-op Power*, and the official notice of United's annual member meeting which also appears in the October issue of *Texas Co-op Power*. This additional notice in October acts as a reminder and is also timed to ensure adherence to a Texas statutory timing of notice requirement.

At the board's June meeting, Mr. Haught presented to the board a draft dust cover pages for the upcoming September issue of *Texas Co-op Power* ("Dust Cover/Ballot") which provides notice of United's scheduled annual member meeting and the ballot and voting instructions for the 2025 director election and the Articles of Consolidation amendment. At the June 2025 board meeting, following review, the board also approved the following:

(1) the scheduling of the upcoming 2025 Annual Member Meeting to be held at the Company's principal office, but with attendance limited to a virtual meeting with attendance by telephone and internet and utilizing absentee voting, with voting in the directors election and on the recommended Articles of Consolidation Amendment to be by absentee ballots to be cast by either of three ways: (a) by mail by written ballot, (b) by written ballot electronically, and/or (c) by written ballot by in-person placement in one of the ballot boxes located at each United office, prior to the cut off time of 5 p.m., Friday, October 10, 2025, (2) the selection of Survey & Ballot Systems as the election service provider, and (3) the protocol for the meeting as described in the "Dust Cover/Ballots" presented to the board, with the Order of Business being as follows:

ANNUAL MEETING BUSINESS AGENDA

- A. Call to Order
- B. Invocation
- C. Secretary's Report on Notice and Quorum requirements
- D. Call for action on minutes from the previous annual meeting
- E. Introduction of the Board of Directors
- F. President's Report
- G. Report on Director Election Procedures
 - a. Nominations Committee Report
- H. General Manager/CEO – State of the Cooperative Report
- I. Report on the Election and Articles of Amendment results
- J. Adjournment

Mr. Haught then presented to the board the updated dust cover to be placed in the September issue of *Texas Co-op Power*, which includes the notice, ballots, and Annual Meeting Business Agenda ("Updated Dust Cover/Ballot").

A motion was then made by Director Hughes and seconded by Director Dumas to approve the Updated Dust Cover/Ballot as presented. The motion was adopted. A copy of the Updated Dust Cover/Ballot for the September Issue of the *Texas Co-op Power* approved as presented accompanies these minutes. Also presented was a copy of Survey & Ballot Systems Election Timeline of Events.

**Youth Tour Report
(John Davis)**

John Davis, Communication Director, entered the meeting. United sponsored three local students for the 2025 Electric Cooperative Youth Tour. This annual event introduces to young people in cooperative areas the qualities of the electric cooperative business model. The Youth Tour is held in Washington, D.C., and United's three representatives were part of Texas 145-student delegation. This year's winners include Austin Rees, sophomore at Joshua High School, Jolie Cox, sophomore at Joshua High School, and Hannah Thetford, junior at Huckabay High School. At the end of his presentation, Mr. Davis exited the meeting.

**Youth Tour Report
(John Davis)**

**FINANCE AND
ACCOUNTING**

**Financial Report-
Electric**

Russell Young, Chief Financial Officer, updated the board on the current financial position of the Cooperative. Year-to-date kWh sales are up 1.8% and meter growth is up 2.8% from June 2024. Year-to-date power cost is 82 mills compared to the budget of 86 mills and last year-to-date of 86 mills. The power cost adjustment is a payable of \$22,027,000. Controllable expenses are \$36,000, or 0.14%, over budget. Gross margins are \$2,500,000 or 4.5% lower than projected. In June, United paid \$18,000,000 to the CFC As-Offered Line of Credit (LOC), lowering United's total outstanding to \$27,000,000. The interest rate is currently 6.05%, and United has \$23,000,000 remaining available for advance if needed. United has an additional line of credit (LOC) for \$25,000,000 from CFC as well as a \$30,000,000 LOC from CoBank. A motion was made by Director Thompson and seconded by Director Jones to approve the June 2025 Electric Financial Report. The motion was adopted. A copy of the June 2025 Electric Financial Report accompanies these minutes.

**Financial Report-
Internet**

Mr. Young reported on the internet financials through June 2025. Construction, vegetation management and make-ready work continues on the internet project. The internet subscriber count for June was 31,835. Over the past month, 473 subscribers were added to the network. The goal for year-end is 33,074 subscribers. VoIP (Voice over Internet Protocol) phone service subscriber count total is 1,628. Year-to-date revenues for 2025 were \$13,187,000, which is \$2,738,000 higher than the same time last year. Net margins through June were a loss of \$2,219,000 compared to the budgeted loss of \$2,609,000. Total construction cost through June was approximately \$301,203,000. Total backbone cost to date was approximately \$54.5M, total distribution/smart grid cost through June was approximately \$156.7M, and total drop cost was approximately \$70.4M. In addition, maintenance cost was approximately \$18.7M and distribution automation cost was approximately \$809,000. United has

closed about \$208,394,000 of these work orders. The current take rate, calculated as subscribers as a percent of homes passed with fiber, is 57.2%. The EPP (Executable Project Plan) model forecasted the take rate would be 54% by the end of 2025. A motion was made by Director Cardin and seconded by Director Hall to approve the June 2025 Internet Financial Report. The motion was adopted. A copy of the June 2025 Internet Financial Report accompanies these minutes.

Work Orders

Mr. Young presented the May 2025 Work Orders amount of \$8,130,406.89 for the K45 loan. A motion was made by Director Hughes and seconded by Director Thompson, to approve the May 2025 Work Orders amount as presented. The motion was adopted.

Checks Over \$1000-Electric

The June 2025 Checks Over \$1,000-Electric report was presented to and reviewed by the board.

Checks Over \$1000-Internet

The June 2025 Checks Over \$1,000-Internet report was presented to and reviewed by the board.

Review Status of Professional Services for 2025

Mr. Young provided the board with an overview of the professional fees incurred by the Cooperative in 2025.

Director Expense Update

Mr. Young reviewed with the board members the summary of their respective director expenses through the second quarter of the 2025 calendar year.

Mid-Year Review of Expenses and Debt

Mr. Young reviewed with the board UCS's long-term debt portfolio. Financing of distribution plant is a mix of long-term debt and current rates. Long term debt is utilized due to the capital-intensive nature of the electric utility industry. The useful life of distribution plant is expected to be approximately 30 years, so loans are often amortized over 30 years as a way to match the plant's cost with its use. Rate impact must be considered when evaluating the use of long-term debt or general funds. For example, 2024 plant additions totaled \$134,000,000. Annual debt service (principal plus interest) if all \$134M were financed through loans would translate to an approximately 3.0 mills increase in current electric rates. If all \$134M were financed with current rates, current electric rates would have to increase by 49.6 mills. United's Capital Management Policy provides guidance for determining the amount of long-term debt. Combined equity ratio is to be 30% or higher when averaging the two best years out of the past three. Additionally, the policy states:

“United will maintain timely access to loan funds for plant additions and maintain necessary working capital for daily operations and adequate cash reserves to meet debt service obligations. Loan covenants shall be reasonable and terms and rates will be in the best long-

term interest of the cooperative's members. Lines of credit in the minimum amount of approximately two months of combined (Electric and Internet) Operations and Maintenance expenses, including power cost and debt service coverage, will be maintained."

Under the current work plan (2024-2027), United is approved for loan funds from RUS/FFB totaling \$321,188,000. We also have approximately \$6,500,000 remaining from the previously amended work plan loan for the Cleburne office. The ten-year financial forecast shows combined equity's low point at 28.1% in 2025 before rising to 30.9% by 2031 and general funds to Total Utility Plant in the range of 2.5% to 5.0%, with a 4.0% rate increase effectively starting in 2029. The blended rate of all United's outstanding loans is 3.49% with 95.1% of United's loans at a rate fixed to maturity.

The board took a break for lunch at 12:00 p.m. and reconvened at 12:56 p.m.

MEMBER SERVICES

Monthly Report on Energy Innovation

Blake Beavers, Chief Member Services Officer, presented the report on Energy Innovation Programs. Mr. Beavers indicated that 41 in-home energy audits were conducted in June 2025. Distributed Energy Resources (DERs) that have been interconnected with United total 2,600 with a total capacity of 32,782 kW. In June, United had 16 members connect a DER to United's system, consisting of solar and batteries, for a total solar system size (kW) added of 196.83 kW of newly connected solar DERs. Mr. Beavers reported that in June, 3 members utilized Policy 4110 assistance for residential equipment failure. Mr. Beavers reported that the total number of energy innovation rebates to United members YTD (through June) in 2025 is 1,710 and that 6 energy innovation grants were awarded in June. Mr. Beavers reported that United's Community Solar Program in June had 3,576 members with 2 kW subscriptions and 6,324 members with 4 kW subscriptions, totaling 9,900 total subscriptions from 6,738 total members, with a total year-to-date for 2025 annual savings of \$87.95 per 2 kW subscription and \$175.90 for two subscriptions (4 kW total). The current waiting list for the community solar program is 1,741 members.

Electric Market Rate Comparison

Mr. Beavers reported on the June 2025 rate comparison in the Texas-Co-op Power magazine which shows United's average rate for 2,000 kWh is 14.66 cents/kWh and the Oncor REP (Retail Electric Provider) average rate for the same usage is 14.73 cents/kWh. Mr. Beavers presented an updated mid-month review which shows United's average rate for 2,000 kWh is 14.66 cents/kWh and the Oncor REP

(Retail Electric Provider) average rate for the same usage is 14.58 cents/kWh.

Member Services Report

Mr. Beavers discussed the member services call volume for June 2025, stating that the number of accepted calls was 18,714 and calls answered were 17,532 with an average answer rate of 94%. The average talk time for a member call was 2:41 and an average time in queue in June 2025 was 1:18. Two other data sets were reviewed illustrating the number of returned service orders by office and the number of payments by payment type.

Energy Solutions Report

Mr. Beavers presented the energy solutions report to the board this month on solar services of United's solar program. In June 2025, 13 members requested that United contact them regarding United's solar program, and United did 5 site visits. Zero members signed a contract, but two members are still reviewing proposals.

DG Report

Mr. Beavers gave an overview to the board on the Cooperative's Distributed Generation Learning Lab, providing energy production and efficiency data for United's wind turbine installations at the Burleson and Granbury locations, and solar panel installations at Burleson, Granbury, Mansfield, Meridian, Possum Kingdom, and Stephenville. Mid-year production from United's solar and wind systems for 2024 from January through June totaled 24,159 kWh, with a 13.7% capacity factor. Mr. Beavers noted that the Cleburne office wind and solar were disconnected in June 2023 in preparation of construction of the new office. Also, the Stephenville solar 1 and 2 were retired and 1 new system was installed in Stephenville in May 2024.

Electric Focus Group Summary

Mr. Beavers presented to the board that United has held two member focus group meetings, the first in Stephenville on May 13th and the second in Burleson on June 10th. These focus group meetings provide insightful feedback on various aspects of United's electric service. Members expressed strong trust and connection to United, deep loyalty, pride, and sense of privilege in being a co-op member, high praise for member service, competitive rates, rebates & reliability, appreciation for linemen, high appreciation of the local aspect of the business model, and enthusiastic response to community events.

PLANNING AND SYSTEM ENGINEERING

Outage Report

The year-to-date report on outages was received by the board in the board materials distributed via BoardEffect prior to the meeting and included the recent storms and the related outages increase experienced. The report included an updated 2024-2025 rolling 12

month average, and five year average graphic depictions of the Customer Average Interruption Duration Index (CAIDI) and System Average Interruption Duration Index (SAIDI).

Construction Projects and Contractors Report

Mr. Wennermark reviewed with the board the list of major residential and commercial projects and developments with which UCS is involved, and which are in varying stages of planning, design, and construction. The report also included information on Copper Changeout, Pole Replacement and Fiber Anchor Replacement projects. Mr. Wennermark reported that work on projects has recently increased with dryer weather and presented an updated report that shows the number of outside contractors that United is currently utilizing including a more detailed breakdown of Construction Contractors. As of June 2025, United was utilizing 103 outside contractor crews consisting of 382 contractor personnel. Mr. Wennermark also mentioned that the anchor replacement project was completed this month. Lastly, Mr. Wennermark discussed a data center report, showing data centers that have contacted United about the possibility of building in United's service territory. Mr. Smallwood noted that the staff was working on a procedure and related documents for adding the large loads that would be reviewed with the board at an upcoming board meeting.

POWER SUPPLY AND RISK MANAGEMENT

Monthly Power Supply Report

Jim Galvin, Vice President of Risk Management and Power Supply, reported the June 2025 Brazos actual cost for transition, transmission and substation delivery charges was \$2,474,819.40 resulting in an average rate of \$0.0093/kWh for charges from Brazos. Mr. Galvin reported all energy for the month of June was provided by Constellation Energy. Constellation Energy provided United with 267,094,377 kWh at a rate of \$0.0674, and, with all applicable charges and credits, a total of the Constellation Energy Charges for June was \$18,003,497.39. The combined power supply, transition, transmission and substation delivery charges for the month of June 2025 was \$20,478,316.79 at an average cost of \$0.0767 per kWh.

Market Cost Analysis

Mr. Galvin reported to the board a summary of the ERCOT Market Day Ahead and Real Time pricing for June 2025. ERCOT experienced greater than normal precipitation and mild weather for the month of June which correlated to lower prices. Prices were almost identical to June of 2024 in the Day-Ahead Market and Real-Time Market. The North Load Zone on-peak prices averaged \$30.62 for Real Time and \$33.93 for Day Ahead and the North Zone Real Time Price peaked on June 5 at \$283.93 at 8:30 PM during the solar ramp

down period. Prices exceeded \$200 2 times which is less than 0.001% of price intervals.

Market News Summary

Mr. Galvin shared an update on the information and market news in the ERCOT (Electric Reliability Council of Texas) region which is being followed for impacts to United. June experienced mild weather with periods of rain that limited volatility in market prices. Under United's current power supply arrangement, power costs remained at \$0.0702 /kWh under United's Load Following agreement with Constellation. Analysis of the month of June using 2026-2027 model utilizing a Fixed Load Shape product at 85% of United's forecast indicated a power cost outcome of \$0.0608 /kWh and estimated savings potential of approximately \$2.4M on power supply costs. ERCOT expects plenty of capacity for the summer of 2025 based on the most recent Monthly Outlook for Resource Adequacy reports. While forecasts still provide a warm summer outlook and a potential "Top 5" Texas summer, ERCOT predicts that there is a less than 1% chance of Emergency Energy Alerts (EEA) for the summer period. The growth in renewable generation along with lower than expected load growth are the driving factors. The PUCT has opened Docket 58326 and 58317 to develop additional details and outline PUCT and participant responsibilities for the legislation passed in the 89th Texas Legislative Session. Docket 58326 outlines PUCT activities on all legislation that will impact their operations and/or oversight which comprises over 70 Bills impacting energy and water. Docket 58317 is focused on Large Load implementation which will include both PUCT responsibilities and rules to interconnect Large Loads.

Risk Management Quarterly Summary

Mr. Galvin presented the Q2 Quarterly Risk Management Report. The report identifies key risks to United that are being tracked and monitored for their impact on the Cooperative. The report identifies trending risks and the measures in place to mitigate these risks. Enhanced risks for Q2 Report include the following: safe operations impacted by "Cardinal Rule" adherence and vehicle accidents, impact of competition and BEAD uncertainty on Internet build out, regulatory impact of new legislation, future power supply cost concerns due to large load growth and capacity concerns in ERCOT, impact on United operations due to board of directors turnover, and increase in cyber threats due to global conflicts.

SAFETY, HUMAN RESOURCES, AND FACILITIES

Personnel Report

Kevin Keesee, Vice President of Human Resources and Safety, reported to the board on recent hires, transfers, promotions, and retirements, as well as currently open positions at the Cooperative. Mr. Keesee reported that United currently has 224 employees, 4 current openings, and 1 intern hired for the summer 2025.

Safety Report

Mr. Keesee reviewed with the board the July 2025 safety report and reported that United's consecutive hours with no lost time accidents is 687,286.90 through June 13, 2025. Two monthly safety meetings were held in June that included Operations, Engineering, and Internet Departments from all offices, with discussions including heat stress awareness and job briefings.

Facilities Update

Mr. Keesee presented the facilities report to the board. Mr. Keesee's presentation included an update on the 49 acres listed for sale in Mansfield. He reported that United Scannell has decided to put their project on hold until later in 2025 or 2026 due to their client changing their mind. In addition, Paper Source Converting & MFG ("Paper Source") has expressed interest in all 49 acres but are awaiting some incentive information from Mansfield EDC.

Mr. Keesee also presented to the board the signed contract for the sale of property of the Cooperative in Godley for \$925,000; more particularly described as the Commercial Contract – Improved Property, dated effective July 15, 2025, by and between the Cooperative, as seller, and LG Development, LLC or its permitted assigns, as buyer, relating to sale and purchase of certain real property located at 405 W. Hwy 171, Godley, Texas 76044, together with any improvements thereon, for the purchase price of \$925,000.00, upon the terms and conditions set forth therein. Following discussion, a motion was made by Director Hall, seconded by Director Dumas, to adopt the following resolutions:

RESOLVED, that the Commercial Contract – Improved Property, dated effective July 15, 2025 (the "Contract"), by and between the United Electric Cooperative Services, Inc. (the "Cooperative"), as seller, and LG Development, LLC or its permitted assigns, as buyer, relating to sale and purchase of certain real property located at 405 W. Hwy 171, Godley, Texas 76044 and more particularly described as Lot 3 in Block 1, DEB'S PLACE ADDITION, an Addition of the City of Godley, Johnson County, Texas, according to the Plat thereof recorded in cc# 2022-85, Real Property Records, Johnson County, Texas, for the purchase price of \$925,000.00, upon the terms and conditions set forth in the Contract, is hereby ratified, confirmed, and approved in all respects;

RESOLVED FURTHER, that Cameron Smallwood, the General Manager/Chief Executive Officer of the Cooperative (the "Authorized Officer"), is hereby authorized, empowered, and directed, in the name of and on behalf of the Cooperative,

to take any and all such further actions, and to execute and deliver any and all such further documents, certificates, instruments, and agreements, each in form and with such additional changes and amendments to the terms, conditions, or other provisions thereof, as such Authorized Officer, in his discretion, may deem necessary, advisable, or appropriate to consummate the transactions contemplated by the Contract and to carry out the intent and purposes of the these resolutions; and

RESOLVED FURTHER, that all actions heretofore taken by the Authorized Officer or any other officer of the Cooperative in connection with the negotiation, preparation, execution, and delivery of the Contract and any ancillary agreements or documents related thereto be, and hereby are ratified, confirmed, and approved in all respects; and

RESOLVED FURTHER, that any third party dealing with the Cooperative in connection with the transactions authorized by these resolutions shall be entitled to rely on the copy or facsimile of these resolutions rather than the original hereof.

The motion was adopted.

Mr. Keesee also reported that the City of Joshua has indicated that it is no longer interested in purchasing the Cooperative's Joshua office building. Following discussion, a motion was made by Director Dumas and seconded by Director Thompson to authorize and approve listing the Joshua property (449 S. Broadway St., Joshua, Texas) of the Cooperative with JLL at a listing sales price of \$2.2 million, and to authorize Cameron Smallwood to negotiate terms of such a listing agreement at his discretion, and to execute same. The motion was adopted.

Mr. Keesee updated the board on the Cleburne project. The old Cleburne warehouse/operations building is gone and dirt work for the concrete is underway. The room and interior building signage has been placed. The SOC/NOC live wall is being installed and both the north and south entry gates are up and running. Phase 3 and Phase 4, of Joshua and Burleson employees moving to the Cleburne office, has been delayed for plumbing repairs. Lastly, Mr. Keesee discussed with the board the long term facilities plan, which states that the Stephenville office design and construction would begin in 2026. After discussion, it was determined by the board, to defer the Stephenville facilities project, with a reevaluation to be completed by the staff in the next 12 months. A motion was made by Director Hughes and seconded by Director Hall, that prior to the budget time of 2026, staff and the board revisit the potential of beginning the Stephenville office renovation project. The motion was adopted.

Employee Survey Results

Mr. Keesee shared that as a business best practice, it is essential that employers endeavor to have a thorough understanding of their employees satisfaction with their organizational culture, compensation, and benefits, among other things. In 2025 United provided employees with a survey to gauge their satisfaction. Mr. Keesee highlighted the results of the survey for the board and noted that overall employees are very satisfied with United as their employer.

INTERNET SERVICES

Internet Services Update

Chris MacIntyre, Vice President of Internet Services, updated the board on the internet services project, including construction aspects. Q4 2025 construction/internet (broadband) easement letters have been sent and 0 protests have been received thus far. Q2 make ready staking is almost complete, with 10 pole changeout work orders pending completion. Q3 easement letters were sent in February with 6 ongoing protests. Q3 construction is on hold due to BEAD application results. Mr. MacIntyre discussed the City of Graford project which is a non-member area. United currently has 85 orders, 54 subscribers are active and 11 are in the installation workflow in this non-member area, resulting in a take rate of 26%. Mr. MacIntyre discussed the June outages, network planning, subscriber services, truck rolls, and subscriber acquisitions. Mr. MacIntyre gave an update to the board on the BEAD program, indicating that United submitted a new application on July 22nd split into (3) total applications primarily to manage overall cost and align with contiguous rule requirements. United is requesting 2500 locations for all three applications cumulatively and requesting 12.5% of available TMAP (Texas Match Assistance Program) match funds on each application. Mr. MacIntyre also indicated that Amazon reportedly is planning to offer mass market satellite internet service in late 2025 – in partnership with SpaceX to launch satellites. Several large and mid-tier mergers/acquisitions are beginning to develop in internet and mobile space – Cox and Charter, Brightspeed & Cincinnati Bell, Bell Canada and Ziply Fiber, T-Mobile and US Cellular (4400 towers).

BUSINESS DEVELOPMENT

Monthly Business and Community Development Update

Jeff Pannell, Vice President of Business and Community Development, provided his monthly update to the board that included community events that United attended and/or sponsored, business development events in United's territory, and United's visits with current key accounts. He highlighted the Wheelchairs 4 Kids sponsorship and volunteer day, Meals on Wheels of Erath County

volunteer day, and the Bread Connection volunteer day. Mr. Pannell also shared with the board an internal contest for United employees to design this year's member appreciation day t-shirt.

INFORMATION TECHNOLOGY AND SECURITY

Technology Report

Cory Menzel, Vice President of Information Services and Security, presented his monthly report, showing the 12 month rolling test phishing emails, email filtering, cybersecurity front line defense, online security training, and employee meeting security presentations.

InvoiceCloud Security Event

Mr. Menzel discussed InvoiceCloud, which is a third party digital payment platform that integrates with Milsoft. As of June 30, 2025, 54,101 total accounts are on autopay, year to date payments processed are 540,926 in the amount of \$130,183,837.84. Recently, InvoiceCloud has reported that it experienced a security breach. InvoiceCloud performed out of cycle maintenance on 6/16/2025. It was indicated that 10 potential members were affected. InvoiceCloud has indicated that it will send letters to the affected members to notify members of the event and to instruct them on how to take measures to protect their information. The affected members are to receive free credit monitoring through TransUnion and a dedicated call center is to be provided for a 90-day period for questions about the event.

Legal Report

Rick Sorenson addressed the board on recent legal matters of the Cooperative on which his firm has been working to the extent not addressed in discussion of earlier agenda matters or to be addressed in executive session.

Review NRECA Legal Seminar

Mr. Sorenson attended the NRECA Legal Seminar in July and thanked the board for allowing his attendance. He highlighted the legal update by Ty Thompson of NRECA and other portions of the seminar, including the discussion at the seminar of cyber security, pole attachments, and the proposed explosive growth in data centers development.

MEETINGS & CONFERENCES

Lindsey Mobley, Executive Assistant, reviewed with the board upcoming meetings and conferences.

EXECUTIVE SESSION

An executive session was called by President Cantrell at 4:23 p.m. In addition to the board, Mr. Haight, Mr. Keesee, Mrs. Wigington, Mrs. Mobley and Mr. Sorenson attended the executive session. At 4:31 p.m. Mr. Keesee and Mrs. Wigington exited the meeting and Mr. Smallwood, Mr. Galvin, Mr. Young and Mr. Beavers entered the meeting. At 5:55 p.m., Mr. Pannell and Mr. Wennermark entered the meeting. Upon completion of the executive session, the regular session of the board of directors reconvened at 6:22 p.m.

ADJOURN

There being no further business to come before the board, Director Thompson made a motion, seconded by Director Hughes, to adjourn. The motion was adopted. The meeting adjourned at 6:23 p.m.

Secretary

President