

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS FOR
NORTHCENTRAL ELECTRIC COOPERATIVE**

The April 23, 2025 meeting was held pursuant to the Bylaws. Directors Don Dickerson, Patty Griffin, Ricky Jones, Phil Lachaussee, Jerry Nichols, Tony Taylor, Morris Thompson, and Pat Woods were present. Also present were Kevin Doddridge, CEO/General Manager, Attorney Chris Latimer, and Staff.

President Pat Woods determined a quorum was present and called the meeting to order at 12:10 p.m.

Tony Taylor gave the invocation.

LISTENING SESSION: None.

Director Morris Thompson moved to approve the April 23, 2025 Agenda, seconded by Director Jerry Nichols, and passed unanimously.

Director Tony Taylor moved to approve the March 26, 2025 Board Minutes, seconded by Director Ricky Jones, and passed unanimously.

Director Don Dickerson moved, seconded by Director Jerry Nichols, to approve new and terminated members for March 2025. The Board unanimously approved.

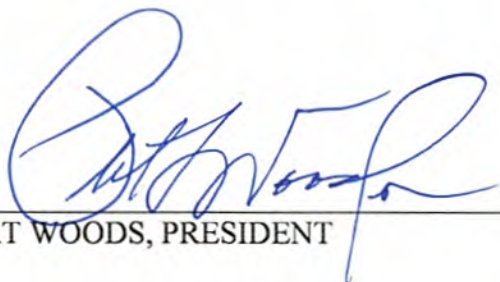
Staff members gave reports to the Board related to engineering and operations, line construction, marketing and business development, safety, finance and administration, and management. The Board received the updates with no action taken.

ATTORNEY REPORT: Attorney Chris Latimer updated the Board on his work reviewing the AI policy, on working with Northcentral staff and Olive Branch's City Attorney on utility requirements for The Cascades development, and on working with Kim Sternisha on Board Minutes.

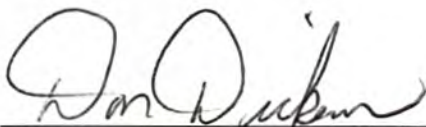
Director Morris Thompson moved, seconded by Director Jerry Nichols, to approve the Artificial Intelligence Policy as presented. The Board unanimously approved.

Director Jerry Nichols moved, seconded by Director Ricky Jones, to approve Wednesday, October 29, 2025, for the Northcentral Annual Meeting. The Board unanimously approved.

President Pat Woods declared no further business. Director Morris Thompson moved, seconded by Director Tony Taylor, to adjourn. The Board unanimously approved. President Woods declared the meeting adjourned.



PAT WOODS, PRESIDENT



DON DICKERSON, SECRETARY

AGENDA

BOARD OF DIRECTORS REGULAR MEETING

April 23, 2025

Noon

- 1) Call to order by President
- 2) Invocation
- *3) Approve Agenda
- 4) Listening Session (If Needed)
- *5) Approve Minutes of Previous Board Meeting
- *6) Approve New and Terminated Members
- 7) Attorneys Report
- 8) Staff Reports
 - A. Marketing and Business Development
 - B. Engineering/Operations Report
 - C. Line Construction Report
 - D. Safety Report
 - E. Finance and Administration Report
 - F. Manager's Report
- 9) New Business:
 - *A. Approve Artificial Intelligence Policy
 - *B. 2025 Northcentral Annual Meeting Date
- 10) Items of Mutual concern

Northcentral Electric Cooperative™

Policy Number 60-020 Artificial Intelligence (AI) Policy

I. OBJECTIVE

This policy governs the use of generative artificial intelligence (AI) technologies within Northcentral Electric Cooperative (Northcentral). This AI usage policy aims to enable Northcentral to use AI technologies responsibly and consistent with the cooperative's mission and objectives. At the same time, this policy seeks to mitigate legal and privacy risks associated with the use of AI.

II. PURPOSE

- A. AI technology at Northcentral may be used as permitted by Northcentral leadership. AI technology may not be used for any purposes that would violate this policy, any other Northcentral policy, or in a manner that would intentionally or where a reasonable person knows or should know would cause harm to the cooperative.
- B. If you have any questions regarding this policy, please contact the IT Manager.

III. DEFINITIONS

- A. Artificial Intelligence – “artificial intelligence” or “AI” has the meaning set forth in 15 U.S.C. 9401(3): “a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. Artificial intelligence systems use machine and human based inputs to (A) perceive real and virtual environments; (B) abstract such perceptions into models through analysis in an automated manner; and (C) use model influences to formulate options for information or action.” Examples of AI systems include, but are not limited to: ChatGPT, Google Gemini, Microsoft Copilot, Bing Chat, and Amazon Code Whisperer.
- B. Large Language Models (LLM) – machine learning models that are a type of AI that comprehend and generate outputs such as human language text. ChatGPT is an example of LLM.
- C. Hallucinations – inaccurate and/or fabricated answers to a user prompt generated by LLMs that appear authentic.
- D. If one is unsure whether a software tool or website employs generative AI technology, and falls within the scope of this policy, please contact the IT Manager.

IV. STANDARDS FOR USING AI

- A. This policy applies to all employees and contractors of Northcentral for all work performed on behalf of Northcentral, regardless of where or how the work is performed.

- B. Generative AI tools may only be used for legitimate business purposes related to activities and projects assigned by the Company
- C. Employees and contractors are strictly prohibited from using an approved AI system in a manner that has potential to harm individuals, discriminate, or violate privacy or other applicable laws. Examples of permissible use of AI include, but are not limited to, notetaking, drafting of correspondence, drafting of blog or social media posts, or generating definitions. Examples of impermissible use for AI include, but are not limited to, the creation of works that involve current or potential new intellectual property for Northcentral, any inputting of sensitive confidential, or protected cooperative data, or other confidential, protected, proprietary or sensitive data.
- D. Human Review – Employees may not solely rely on AI-generated work as their final work-product, and all work including AI outputs must be reviewed by Northcentral employees to ensure accuracy, reliability, and adherence to Northcentral's other existing policies. Generative AI has known issues with "hallucinations," or false, incorrect or misleading outputs. All Northcentral employees using AI should be aware of hallucinations and the risk posed by them.
- E. Employees shall disclose that AI was used during the process of creating any work product.

V. DATA PRIVACY AND SECURITY

- A. AI usage must comply with all relevant data privacy regulations and internal Northcentral data privacy and data usage policies.
- B. Data used to train and operate AI systems must be handled securely and in compliance with applicable laws, regulations, and rules to prevent unauthorized access or disclosure. Northcentral employees shall not input confidential, proprietary, or other Cooperative data into AI systems like ChatGPT, Google Gemini, or other third-party services unless specifically given permission to do so from their appropriate Department Head.
- C. When using third-party AI systems, Northcentral employees must use due diligence to ensure vendors, and their products meet the standards set forth in this policy and such systems are in the best interest of Northcentral.
- D. Questions about data privacy and security as it related to AI usage should be directed to the IT Manager.

VI. TRANSPARENCY

- A. AI systems and models developed internally must be transparent and explainable, especially when making decisions that impact individuals or operations.
- B. Northcentral will avoid the use of "black box" models that lack transparency when contracting with potential vendors. A "black box" model is a system that does not reveal any information about its internal workings or is so complex as to not be easily interpreted by humans.

VII. INTELLECTUAL PROPERTY

- A. Northcentral employees and contractors shall not use any AI outputs that include unauthorized use of protected intellectual property, such as copyrighted or trademarked materials, that could expose the cooperative to legal liability.
- B. Employees and contractors shall not input any information into AI systems with any of Northcentral's intellectual property, including, but not limited to, copyrighted materials, publications, trademarks or logos. This includes intellectual property licensed from third parties that restricts its input into an AI system.
- C. If an employee or contractor is uncertain about using AI impacts intellectual property rights, the employee or contractor shall consult with the manager and, if determined as appropriate, contact Northcentral's legal counsel.

VIII. CONTINUOUS LEARNING AND IMPROVEMENT

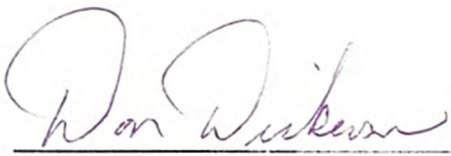
- A. Northcentral encourages ongoing education and training for employees involved in AI development or use. Training for employees across the cooperative will be managed by the IT Manager to ensure consistent standards for AI usage by all Northcentral Employees.

IX. COMPLIANCE, REPORTING AND MONITORING

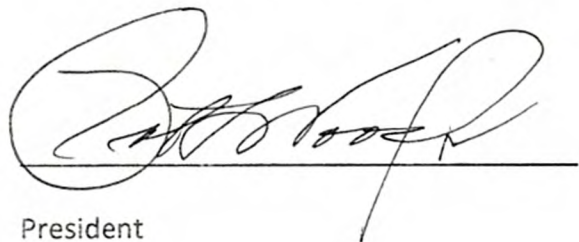
- A. Any concerns or incidents related to AI use shall be immediately reported to the employees' direct supervisor and IT Manager.
- B. Employees and contractors must retain documents containing AI use in accordance with existing document retention policies.
- C. Northcentral's IT department monitors AI systems use to ensure a safe and secure working environment and to minimize risks to the cooperative.
- D. Employees and contractors are to report any suspected violations of this policy to their direct supervisor and IT Manager. Any violation of this policy will result in disciplinary action, up to and including termination.

X. REVIEW

- A. This policy will be reviewed periodically and updated as needed to reflect the changes in technology, regulations, or business processes.
- B. Compliance will conduct periodic reviews of AI usage system performance to promote ongoing compliance with applicable laws, regulations, industry standards, and internal policies.
- C. AI systems licensed from vendors shall be periodically reviewed to ensure continued compliance with this and other applicable cooperative policies.



Secretary



President

