

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting — December 20, 2018

Regular Meeting

The following persons were present at 9:00 a.m. at Shelby Energy's headquarters:

Directors:

Ashley Chilton	Chairman
Pat Hargadon	Vice Chairman
Roger Taylor	Secretary/Treasurer
Wayne Stratton	Director
Diana Arnold	Director
Jeffrey Joyce	Director

Also Present:

Jack Bragg	President & CEO
Carolyn Cutshaw	Executive Assistant
Jared Routh	SVP, Finance & Cooperative Services
Randy Stevens	SVP, Power Delivery Services
Sergio Cole	Manager, Accounting & Payroll
Mary Federle	Manager, Billing & Customer Service
Zach Mischler	Manager, Engineering
Alan Zaring	Attorney

Board Information

Copies of the following were provided to Board Members on December 13, 2018:

1. Agenda
2. Thank you note from Debbie Martin
3. Shelby Energy Cooperative News Wire-December 2018
4. Proposed Minutes-November 2018
5. Report for HR, Cooperative Services and IT
6. Rebates and Energy Audits for November 2018
7. Medical insurance update
8. Billing & Customer Service Report
9. Write-off accounts for September 2018
10. Estate Capital Credit refunds for November 2018
11. New member survey results-October
12. Safety & ROW Report November 2018
13. Engineering Report November 2018
14. Monthly Operations Report - November 2018
15. Emergency Restoration Plan Certification notice
16. NRTC Annual Meeting/Delegate Registration notice
17. Board Policy 603-Depreciation Rates
18. EKPC December Agenda/Reports
19. KEC Agenda
20. KAEC Minutes/Reports-November 2018

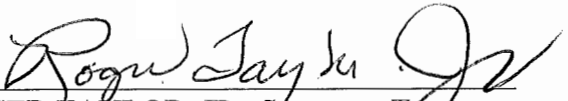
Call to Order	The regular Board meeting was called to order by Chairman Chilton.
Executive Session	The Board entered Executive Session with Zaring present.
Safety Moment	The Safety Moment was presented by Randy Stevens, who discussed food safety during the holidays.
Minutes	The Minutes of the November 29, 2018, Board of Directors meeting were unanimously approved.
Finance & Cooperative Services	Jared Routh presented Shelby's Rebate Report for November 2018. He noted that 4 energy audits were conducted in November and 38 year-to-date. Routh also gave a medical insurance update.
Accounting & Payroll	Cole presented the Finance & Cooperative Services reports for November 2018. Shelby Energy's year-to-date TIER was 1.98 and its OTIER was 1.63 as of November. For the current month, the TIER was 1.29 and OTIER was 0.86. The November 2018 check register was available for review. The November 2018 total operations and maintenance expenses were \$3,352,894.00.
Billing and Customer Service	Federle reviewed the Billing and Customer Service Report for October 2018. Write offs of Uncollectable Accounts totaling \$1,671.06 were reported from September 2018 disconnect dates. A summary of write-offs for the Board's review was also given. On motion by Arnold, \$1,671.06 in write-offs of uncollectable accounts disconnected September 2018 were unanimously approved by the Board. Federle also reviewed the collection summary report through November 2018. 5 estates received capital credit refunds totaling \$2,055.38. The year to date total \$51,086.95. The compilation of New Member Surveys for the month showed 4 satisfied and 20 very satisfied with Shelby Energy's services of the 24 surveys returned. This represented a 24% monthly return rate from the 100 members surveyed.

Safety & ROW Report	Stevens presented the safety report for November 2018. There were no accidents or injuries for the month. There were 11 inspections of Shelby and contractor crews, with no findings. He reviewed the safety training and meetings for the month.
Engineering Report	<p>Mischler gave the Engineering and Outage report for November. There were 32 outages during the month of November 2018, with 2,136 members impacted. Four of the outages affected more than 500 members. They include:</p> <p>11/15/18 - 519 members affected, lasting a total of 8.3 hours at the Logan substation. This was due to an ice storm that brought a tree down, breaking a pole in an area that required a bulldozer to access.</p> <p>11/26/18 - 786 members affected, lasting a total of 43 minutes at the Jericho Substation 1. This was due to a KU switching error.</p> <p>11/26/18 - 513 members affected, lasting a total of 43 minutes at the Jericho Substation 2. This was due to a KU switching error.</p> <p>11/26/18 - 463 members affected, lasting a total of 43 minutes at the Jericho Substation 3. This was due to a KU switching error.</p>
Operations Report	Stevens presented the operations report for November 2018. The work orders for November totaled 99. The new member and construction work orders year-to-date total 552. Stevens updated the Board on work that continues at the Level 3 Fiber Project; Highway 146; Windhurst Apartments; 6 Mile Distillery; Highway 55; and, Gest Road.
Budget Approval	Routh presented the 2019 budget for consideration and approval. Upon motion by Stratton, the budget was approved.
Executive Session	The Board entered Executive Session with Zaring present.
NRTC Delegates	Bragg discussed appointing voting delegates for the 2019 NRTC annual meeting. Upon motion of Joyce, Stratton and Bragg were appointed.
Board Policies	Bragg presented for consideration and approval Board Policy 603- Depreciation Rates, which had been reviewed by legal counsel. Upon Motion by Taylor, the policy change was approved.
EKPC Director Report	Stratton reported on the EKPC Board meeting held December 11, 2018, in accordance with the Agenda given to the Directors.
KAEC Director Report	Hargadon presented the KAEC Report for the November Meeting.

President &
CEO Report
Adjourn

Bragg presented the President & CEO's Report for November 2018.

There being no further business, the meeting was adjourned. The next regular Board meeting will be held January 24, 2019, at 1:00 p.m.



ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



ASHLEY CHILTON, Chairman