

**SHELBY ENERGY COOPERATIVE, INC.**  
**Shelbyville, Kentucky**  
**Board of Directors' Meeting —February 25, 2022**

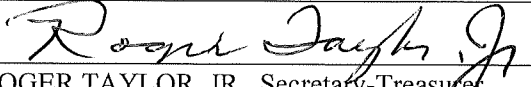
<b>Regular Meeting</b>	The following persons were present at 9:00 a.m.	
	<u>Directors:</u>	
	Pat Hargadon	Vice Chairman
	Roger Taylor	Secretary/Treasurer
	Wayne Stratton	Director
	Diana Arnold	Director
	Jeffrey Joyce	Director
	<u>Also Present:</u>	
	Jack Bragg, Jr.	President & CEO
	Randy Stevens	SVP, Power Delivery Services
	Nanette McCarty	Manager, Billing & Customer Service
	Jason Ginn	Operations & Contract Resources Manager
	Dustin Peach	IT Administrator
	Michael Moriarty	Chief Financial Officer
	Melanie Crossfield	Communications
	Dusty Phelps	Manager, Engineering
	Alan Q. Zaring	Attorney (electronically)

<b>Board Information</b>	Copies of the following were provided to Board Members on January 21, 2022.
	<ol style="list-style-type: none"> <li>1. Agenda.</li> <li>2. Proposed Minutes of January 27, 2022, meeting</li> <li>3. Communications and Cooperative Services Report</li> <li>4. Finance, Accounting and Payroll Report</li> <li>5. Billing and Customer Service Report</li> <li>6. Information Technology Report</li> <li>7. Power Delivery Report</li> <li>8. Engineering Board Report</li> <li>9. Internal Resources Operations Report</li> <li>10. External Resources Operations Report</li> <li>11. BP102- Functions of the Board of Directors</li> <li>12. BP105-Reporting to Board on Key Performance Areas</li> <li>13. BP701-IT Risk Management</li> <li>14. BP702-Third Party Access</li> <li>15. BP910-Drugs and Alcohol</li> </ol>
<b>Safety Moment</b>	Dusty Phelps presented the safety moment on the dangers of black ice when driving.

<b>Minutes</b>	Upon motion of Joyce, seconded by Arnold, the Minutes of the January 27, 2022, Board of Directors meeting were unanimously approved.
<b>Communications &amp; Cooperative Services</b>	<p>Jack Bragg and Melanie Crossfield gave the Communications &amp; Cooperative Services Report.</p> <p>The 2022 Youth Tour Delegates were announced. They are Luke Shea of Turners Station and Zachary Burkhardt of Milton. They will visit Frankfort on March 23 and the Washington Youth Tour will occur June 17-23.</p> <p>The Smarthub adoption rate through January, 2022, is at 35.60%.</p> <p>The Rebate Reports for the month notes 4 energy audits.</p> <p>Crossfield gave the monthly website analytics, as well as Facebook insights and Top Post, and the Messenger and solar energy report.</p> <p>The Annual Meeting was also discussed and a tentative agenda presented.</p>
<b>Finance, Accounting &amp; Payroll</b>	<p>Moriarty presented the Accounting and Payroll reports for December, 2021.</p> <p>For December, Shelby Energy's year-to-date TIER was 2.72 and its OTIER was 1.53. Power cost as a percentage of revenue for the month was 74.9%.</p> <p>The January, 2022, check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.</p>
<b>Billing and Customer Service</b>	<p>Nanette McCarty reviewed the Billing and Customer Service Reports for September.</p> <p>Write offs of 20 Uncollectable Accounts totaling \$5,032.01 were reported from November disconnect dates. A summary of those accounts was provided, and upon motion by Stratton, seconded by Hargadon, that amount was approved.</p> <p>The Collections Summary Reports for January was presented. A total of \$4,347.31 was submitted for collection, with \$99.45 being collected by GLA and \$0.00 by Shelby Energy.</p> <p>Nineteen estates received capital credit refunds in January, 2022, totaling \$12,843.18.</p>

<b>Information Technology</b>	Dustin Peach presented the IT Report for January, 2022. Noteworthy items include Sophos Antivirus completion; Microsoft Licensing audit; and the NISC Operation Analytics kickoff.
<b>Power Delivery Report</b>	Randy Stevens reviewed the Power Delivery Report for January, 2022.
<b>Engineering Report</b>	Dusty Phelps gave the Engineering Report for January. There was one outage at the Bedford Substation on January 15, which affected 1,661 customers and lasted 13 minutes and 35 seconds and was due to a power supply issue.  After his report, Phelps announced that he had accepted a position in his hometown and would be leaving Shelby Energy.
<b>Internal Resources Operations</b>	Mike Mason presented the Internal Operations & Safety Report reports for January, 2022.  Noteworthy items include a TSCA & PCB site inspection from the EPA in January, which went very well and had no findings; and all trucks and hot line equipment had their annual di-electric testing done at the beginning of January.
<b>External Resources Operations</b>	Jason Ginn presented the External Operations and Safety Report for January.  Updates were provided on work that continues at Industrial Park; Highway 395 from Pea Ridge to Cat Ridge; Spectrum fiber pole changes; and new construction and pole changes.
<b>Executive Session</b>	The Board entered Executive Session with Zaring present.
<b>Board Policies</b>	Zaring and Bragg presented the following policies for consideration and approval:  BP102--Functions of the Board of Directors BP105—Reporting to Board on Key Performance Areas BP701—IT Risk Management BP702—Third Party Access BP 910—Drugs and Alcohol  Upon motion by Stratton, and second by Arnold, the policy updates were unanimously approved.
<b>EKPC</b>	Stratton presented the EKPC Report.
<b>KEC</b>	Hargadon presented the KEC Report.
<b>President &amp; CEO Report</b>	Bragg provided the President & CEO's report for January.

<b>Adjourn</b>	There being no further business, the meeting was adjourned. The next Board meeting will be March 24, 2022, at 9:00 a.m.
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ROGER TAYLOR, JR., Secretary-Treasurer

Approved:   
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ASHLEY CHILTON, Chairman