

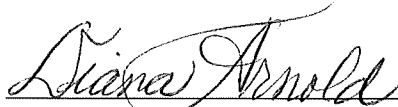
SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting—March 26, 2026

Regular Meeting	The following persons were present at 9:00 a.m., either in person or electronically.	
	<u>Directors:</u>	
	Pat Hargadon	Chairman
	Jeffrey Joyce	Vice-Chairman
	Diana Arnold	Secretary/Treasurer
	Wayne Stratton	Director
	Roby Foree	Director
	<u>Also Present:</u>	
	Jack Bragg, Jr.	President & CEO
	Randy Stevens	SVP, Power Delivery Services
	Michael Moriarty	Chief Financial Officer
	Mike Mason	Manager, Operations
	Jennie Pate	Manager, Billing & Customer Service
	Jason Ginn	Manager, Contract Resources
	Dylan Staples	Manager, Engineering
	Mary Beth Dennis	Director of Communications & Member Services
	Dustin Peach	IT Administrator
	Alan Q. Zaring	Attorney
	Travis Frick	Jones, Nale and Mattingly
	Jason Garman	Jones, Nale and Mattingly
	Audit Review	Travis Frick and Jason Garman from Jones, Nale and Mattingly presented the Financial Statement Audit for the July 1, 2024, to June 30, 2025, fiscal year. After discussion, Arnold moved to accept same. Joyce seconded, and it was so approved, with Stratton abstaining from the vote.
	Board Information	Copies of the following were provided to Board Members on March 20, 2026. Chairman Hargadon called the meeting to order.
	Safety Moment	Jason Ginn presented the Safety Moment on using caution as tick season approaches.

<p>Communications & Cooperative Services</p>	<p>Mary Beth Dennis gave the Communications & Cooperative Services Report</p> <p>She reviewed recent and upcoming Community Events.</p> <p>Dennis gave the monthly website analytics, as well as Facebook insights and Top Post, LinkedIn information, and the Messenger and solar energy report.</p> <p>She also reviewed the Energy Audits, Rebate and Solar Credit Reports, and provided an update on the Smarthub Adoption rate.</p>
<p>Finance, Accounting & Payroll</p>	<p>Michael Moriarty presented the Accounting and Payroll reports for February, 2026. For the month, the TIER was 3.03 and OTIER was 2.60. Power cost as a percentage of revenue for February was 74.55%.</p> <p>The February, 2026, check registers, credit card expenses, and fleet card expenses were available for review.</p> <p>Moriarty also provided an update on the Medical Insurance plan.</p>
<p>Billing and Customer Service</p>	<p>Jennie Pate reviewed the Billing and Customer Service Reports for February, 2026.</p> <p>This included a comparison of membership numbers for February, 2025, and February, 2026. The data shows 14,373 active members currently, compared to 14,181 one year ago.</p> <p>The Collections Summary Report for February was presented. A total of \$2,800.47 was submitted for collection, with \$709.61 being collected by GLA and \$0 by both OUE and Shelby Energy.</p> <p>There were 6 capital credits issues in February, totaling \$2,538.33.</p> <p>There were 22 uncollectable accounts, totaling \$5,309.86, that were eligible for write-off. A summary of those accounts was provided, and upon motion by Joyce, seconded by Arnold, those amounts were approved.</p>
<p>Information Technology</p>	<p>Dustin Peach presented the IT Report for February, 2026. That included:</p> <ul style="list-style-type: none"> -A summary of the Zorus DNS/Web Filtering activity for the month. -Sophos Managed Threat Detection & Response information.

	<p>-He also provided information on the new e-mail security system-- Zero Trust Email Security Powered by Shield Security—that is now in place.</p> <p>-He also reported on the TechAdvantage training he recently attended in Nashville and advised that he will be attending the NISC Ky User group meeting at Nolin RECC on April 14-15.</p>
Power Delivery Report	Randy Stevens reviewed the Power Delivery Report for February, 2026. He presented updates on the Construction Work Plan and Contractor Right-of-Way budgets.
Engineering Report	<p>Dylan Staples gave the Engineering Report. He informed the Board that the Cooperative installed 16 new meters for the month of February.</p> <p>He discussed upcoming projects, including Top Flight. He also discussed a possible modification to the current 300' secondary service tariff.</p> <p>Finally, Staples reviewed the SAIDI and SAIFI numbers.</p>
Internal Resources Operations	<p>Mike Mason presented the Internal Resources Operations Reports for February, 2026.</p> <p>He advised there were 2 safety meetings in February that covered job briefings.</p> <p>Mason also advised there were 4 job site inspections by Shelby Energy in January, which resulted in some minor on-site corrections for small issues; and 1 by KEC, with no findings.</p>
External Resources Operations	<p>Jason Ginn presented the External Resources Operations report. He reviewed the manpower and equipment hours and the Spectrum RDOF/Grant/Bead tracking.</p> <p>He also reported on the Protecterra Spray Work changes and the 2026 Pole Treating Plan.</p> <p>Finally, he reported on upcoming projects, including the starting of Top Flight's re-voltage (7,200 to 14,400); the 5 mile 2 phase to 3 phase reconductor and re-voltage; and the Staking and Bidding process for Benson to Bohannon Lane.</p>

Pole Testing and Replacement Program	Bragg presented information on the Pole Testing and Replacement Program, including available options; the reasons each are favored/not favored; liability issues; etc. He presented a plan for Shelby Energy that he believes best addresses the situation.
Executive Session	Upon motion of Arnold, second by Stratton, the Board entered executive session. Upon motion of Arnold, seconded by Joyce, the Board exited executive session.
Board Policies	Bragg and Zaring presented the following policies for consideration and approval: BP 306-Audit Committee BP 703-Accountability of Assets BP 704-Employee Security BP 705-Physical and Environmental Security BP 706-Documentation Procedures Upon motion by Foree, and second by Joyce, the policy updates were unanimously approved.
EKPC	Stratton presented the EKPC Report.
KEC	Hargadon presented the KEC Report.
President & CEO Report	Bragg provided the President & CEO's report.
Adjourn	There being no further business, the meeting was adjourned. The next Board meeting will be April 23, 2026, at 9:00 a.m.


 DIANA ARNOLD, Secretary-Treasurer

Approved,

 PAT HARGADON, Chairman