

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting — February 28, 2019

Regular Meeting

The following persons were present at 1:00 p.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, Jr.	President & CEO
Carolyn Cutshaw	Executive Assistant
Jared Routh	SVP, Finance & Cooperative Services
Randy Stevens	SVP, Power Delivery Services
Sergio Cole	Manager, Accounting & Payroll
Jason Ginn	Manager, Operations
Neil Hackworth	Attorney

Board Information

Copies of the following were provided to Board Members on February 22, 2019:

1. Agenda
2. Shelby Energy Cooperative News Wire - February 2019
3. Proposed Minutes - January 2019
4. Report for HR, Cooperative Services, and IT
5. Rebates and Energy Audits - January 2019
6. 2019 KREC Surcharge Assessment
7. Donations & Sponsorships - 2018
8. Economic Development - Current Loans
9. Five Year Comparison
10. 2018 Patronage Capital Allocations and Payments
11. 2017 Outstanding/Unreconciled Checks Summary
12. Check register - January 2019
13. Billing & Customer Service Report
14. Write-off accounts - October 2018
15. 2013-2018 Delinquent Account Write-Offs
16. Estate Capital Credit refunds - January 2019
17. Estate Capital Credit refunds - 2013-2018
18. New member survey results - December 2019
19. Envirowatts Report - January to December 2018
20. Safety & ROW Report - January 2019
21. Engineering Report - January 2019

22. Monthly Operations Report - January 2019
23. 2018 Property Damage Summary
24. Board Policy 700 - Information and Cyber Security
25. Board Policy 701 - IT Risk Management
26. Board Policy 702 - Third Party Access
27. Board Policy 703 - Accountability of Assets
28. Board Policy 704 - Employee Security
29. Board Policy 705 - Physical and Environmental Security
30. 2019 Credentials & Election Committee List
31. 2019 Nominating Committee List
32. Districts 1, 2, & 3 Reports
33. EKPC Report - February 5, 2019, meeting
34. KAEC Report - January 24, 2019

Call to Order

The regular Board meeting was called to order by Chairman Chilton.

Safety Moment

The Safety Moment was presented by Sergio Cole, who discussed how changing weather can cause illness and risk of injury.

Minutes

The Minutes of the January 24, 2019, Board of Directors meeting were unanimously approved.

Finance & Cooperative Services

Jared Routh reported that Mary Federle's last day with SEC is Friday, March 8, 2019.

Routh presented Shelby's Rebate Report for January 2018. He noted that seven energy audits were conducted in January.

Routh also gave a medical insurance update.

Routh also reported on 2017 outstanding/unreconciled checks, and on motion by Taylor, it was decided to move the amounts of those to the operating fund.

Accounting & Payroll

Cole presented the Accounting & Payroll reports for January 2019. Shelby Energy's year-to-date TIER was 3.71 and its OTIER was 2.80 as of January.

The January 2019 check register was available for review.

The January 2019 total operations and maintenance expenses were \$568,916.00.

Billing and Customer Service

Routh reviewed the Billing and Customer Service Report for January 2019.

Write offs of Uncollectable Accounts totaling \$1,916.81 were reported from November disconnect dates. A summary of write-offs for the Board's review

was also given. On motion by Hargadon, \$1,961.81 in write-offs of uncollectable accounts disconnected November 2018 were unanimously approved by the Board.

Routh also reviewed the collection summary report through January 2019.

Seven estates received capital credit refunds, totaling \$4,065.57.

The compilation of New Member Surveys for the month showed 2 satisfied and 17 very satisfied with Shelby Energy's services of the 19 surveys returned. This represented a 28% monthly return rate from the 67 members surveyed.

**Safety &
ROW Report**

Stevens presented the safety report for January 2019. There were no accidents or injuries for the month. There were 10 inspections of Shelby and contractor crews, with no findings. He reviewed the safety training and meetings for the month.

**Engineering
Report**

Stevens gave the Engineering and Outage report for January. There were 45 outages during the month of December 2018, with an unknown number of members impacted. There were no outages that affected more than 500 members.

Operations

Ginn presented the Operations Report for January 2019. The work orders for January totaled 52. Ginn 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.

Board Policies

Bragg presented for consideration and approval Board Policies 700, 701, 702, 703, 704, and 705, which had been reviewed by legal counsel. He also discussed his goals for the year related to policies. Upon Motion by Stratton, the policy changes were approved.

Miscellaneous

Bragg reviewed the 2019 Credentials and Elections Committee List; the Nominating Committee List; and the 2019 Districts 1, 2, & 3 Reports.

**EKPC
Director
Report**

Stratton gave the EKPC Board Meeting Report for January 2019.

**KAEC Director
Report**

Hargadon presented the KAEC Board Meeting Report for the January 2019 meeting.

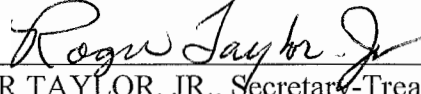
**President &
CEO Report**

Bragg presented the President and CEO's Report for January 2019.

Adjourn

There being no further business, the meeting was adjourned. The next regular Board meeting will be held March 28, 2019, at 9:00 a.m. Also noted, the date

for the April meeting was changed to April 23, due to a scheduling conflict with Stratton.



ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



ASHLEY WILTON, Chairman