

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

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, Jr.	President and CEO
Carolyn Cutshaw	Executive Assistant
Jared Routh	SVP, Finance and Cooperative Services
Randy Stevens	SVP, Power Delivery Services
Sergio Cole	Manager, Accounting and Payroll
Nanette McCarty	Interim Manager, Billing and Customer Service
Zach Mischler	Manager, Engineering
Jason Ginn	Manager, Operations
Alan Zaring	Attorney
Alan Zumstein	CPA

Board Information

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

1. Agenda
2. Thank you from Awake Ministries for backpack food program help
3. Receipt for \$250.00 donation to Shelby Co Community Foundation
4. Thank you for \$150.00 donation to Trimble Co 4-H Camp Scholarship Fund
5. Shelby Energy Cooperative News Wire —March 2019
6. Minutes of February 28, 2019, meeting
7. 2019 Nominating Committee roster
8. 2019 Credentials & Election Committee roster
9. National Rural Utilities Cooperative Finance Corporation Officer's Certificate of Compliance Worksheet and Certification for 2018
10. Economic Development Revolving Loan Fund Application
11. Finance and Cooperative Services Report
12. Check Register - February 2019
13. Billing and Customer Service Report
14. Safety & ROW Report
15. Engineering Board Report

16. Monthly Operations Report
17. Board Policies 706, 707, 708, 709, 710, 711, 712, 713, 714
18. EKPC Agenda for March Board Meeting
19. Kentucky Electric Cooperatives Agenda March 2019

Call to Order	The regular Board meeting was called to order by Chairman Chilton.
Safety Moment	The Safety Moment was presented by Randy Stevens, who discussed lawn and power equipment safety.
Minutes	The Minutes of the February 28, 2019, Board of Directors meeting were unanimously approved.
CPA Report	Alan Zumstein presented the Board with audited financial statements for December 31, 2017, and December 31, 2018. Upon motion by Stratton to accept these statements, same were approved.
Nominating Committee Appointment	Chairman Chilton and Attorney Zaring discussed appointment of the 2019 Nominating Committee. After review, the Board determined that the Committee was in compliance with the bylaws and approved same on motion of Hargadon.
Credentials & Election Committee Appointment	Chairman Chilton and Attorney Zaring discussed appointment of the 2019 Credentials & Election Committee. After review, the Board determined that the Committee was in compliance with the bylaws and approved same on motion of Arnold.
2019 Annual Meeting Discussion	Routh discussed the 2019 Annual Meeting schedule.
Review of CFC Certification	Routh presented to the Board the National Rural Utilities Cooperative Financial Corporation Officer's Certificate of Compliance Worksheet and Certification for 2018. Upon review and motion of Hargadon, the Board accepted same.
Economic Development Loan Application	Routh discussed the Economic Development Loan Application filed by the Shelby County Industrial Development Foundation, d/b/a Guist Creek Marina and Campground. Upon motion of Stratton, the Application was approved. Hargadon abstained from the vote.
Finance and Cooperative Services	Routh presented Shelby's Rebate Report for February 2019. He noted that two energy audits were conducted in February and nine year-to-date.
Accounting and Payroll	Routh presented the Finance & Cooperative Services reports for February 2019.

Shelby Energy's year-to-date TIER was 3.09 and its OTIER was 2.44 as of February 2019.

The February 2019 check register was available for review.

**Billing and
Customer
Service**

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

Write offs of Uncollectable Accounts totaling \$2,491.11 were reported from December disconnect dates.

A summary of write-offs for the Board's review was also given. On motion by Arnold, unanimously approved, \$2,491.11 in write-offs of uncollectable accounts disconnected in December 2019.

Three estates received capital credit refunds totaling \$2,157.56.

The compilation of the New Member Surveys for the month showed 15 very satisfied, 5 satisfied and 1 neither satisfied or dissatisfied with Shelby Energy's services of the 21 surveys returned. This represented a 21% monthly return rate from the 98 members surveyed.

**Safety and
ROW Report**

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

Also, there was discussion about new protocols put into place prior to the most recent windstorm. These new measures were very effective.

**Engineering
Report**

Mischler gave the Engineering and Outage report for February. There were 33 outages during the month of February 2019, with 1,913 members impacted. Two of the outages affected 500+ members. One lasted 45-minutes and was caused by an external logging company dropping a tree on a line. The other lasted 52-minutes and was caused by a large truck which made contact with our line while the dump bed was up.

**Operations
Report**

Ginn presented the operations report for February 2019. The work orders for February 2019, totaled 47. The new member and construction work orders year-to-date total 65. Ginn updated the Board on work that continues at: Highway 146, 6-Mile Distillery, Highway 55, and Gest Road.

**Executive
Session**

The Board entered into Executive Session with Zaring present.

**EKPC
Director
Report**

Stratton reported on the EKPC Board meeting held March 5, 2019, in accordance with the agenda given to the Directors.

**KAEC
Report**

The KAEC Report was given by Hargadon.

**Board
Policies**

Bragg presented for consideration and approval the following board policies:

Board Policy 706-Documentation Procedures
Board Policy 707-System Patching
Board Policy 708-System Logging and Monitoring
Board Policy 709-System Acceptance and Configuration
Board Policy 710-Malware Prevention
Board Policy 711-Backup and Recovery
Board Policy 712-Network Management
Board Policy 713-User Account Management
Board Policy 714-Password Policy

Upon motion by Arnold, these policy changes were approved.

**President &
CEO Report**

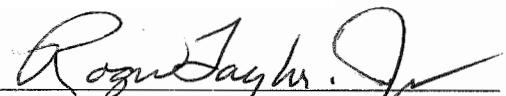
Bragg provided the President and CEO's report for February.

Adjourn

There being no further business, the meeting was adjourned. The next regular Board meeting will be held Tuesday, April 23, 2019, at 9:00 a.m.

Approved:


ASHLEY CHILTON, Chairman


ROGER TAYLOR, JR., Secretary/Treasurer