

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting — April 23, 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 & Payroll
Zach Mischler	Manager, Engineering
Jason Ginn	Manager, Operations
Alan Zaring	Attorney

Board Information

Copies of the following were provided to Board Members on April 17, 2019:

1. Agenda
2. E-mail communication from Stephen Snow concerning electric feed to Brooks Lane
3. Thank you note for donation to Trimble Co. Jr. High Cheer
4. Thank you note from "A Place to Sleep" for office supplies donation
5. April 2019 News Wire
6. Proposed Minutes of March 28, 2019, meeting
7. Finance and Cooperative Services Report
8. Check register - March 2019
9. Credit Card Expenses - March 2019
10. Propane Plus Financials - March 2019
11. 2019 Director Expense Report
12. March 2019 Billing and Customer Service Report
13. March 2019 Safety and ROW Report
14. Engineering Board Report March 2019
15. March 2019 Monthly Operations Report
16. Board Policy 101
17. Board Policy 103
18. Board Policy 104
19. Board Policy 106

20. Board Policy 107
21. Board Policy 715
22. Attorney Engagement letter June 18, 2018
23. Resolution regarding EKPC delegate
24. EKPC Agenda April 9, 2019, meeting

Call to Order The regular Board meeting was called to order by Vice Chairman Hargadon.

Safety Moment The Safety Moment was presented by Carolyn Cutshaw, who discussed vehicle security and safety.

Minutes The Minutes of the March 28, 2019, Board of Directors meeting were unanimously approved.

Finance and Cooperative Services Routh gave the Finance and Cooperative Services Report. Noteworthy items were:

1. The Rebate Report for March 2019, noting 4 energy audits with 13 having been conducted year-to-date.
2. The 2019 Annual Training Report was presented.
3. 2018 Form 7 was reviewed.
4. 2018 IRS Form 990 was presented for consideration.
5. Routh also gave an update on the medical insurance.
6. Finally, he gave a report on the Nominating Committee and Annual Meeting, including presentation of the Annual Meeting Agenda.

Accounting and Payroll Cole presented the Accounting and Payroll reports for March 2019.

Shelby Energy's year-to-date TIER was 3.64 and its OTIER was 2.99 as of March 2019. Power cost as a percentage of revenue for the month was 64.31%.

The March 2019 check register, credit card expenses, fleet card expenses, Propane Plus financials, and Quarterly CEO and Board Expenses were available for review.

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

Write offs of Uncollectable Accounts totaling \$2,475.34 were reported from January disconnect dates. A summary of those accounts was provided, and on motion by Stratton, unanimously approved, \$2,475.34 in write-offs was approved.

Five estates received capital credit refunds totaling \$3,747.75.

The compilation of the New Member Surveys for the month showed 11 very satisfied and 2 satisfied with Shelby Energy's services of the 13 surveys returned. This represented a 21% monthly return rate from the 61 members surveyed.


Safety and ROW Report	Stevens presented the safety report for March 2019. There were no accidents or injuries for the month. There were seven inspections of Shelby and contractor crews for the month, with no findings. He reviewed the safety training and meetings for the month. Shelby Energy hours worked without a lost-time incident was 24,588.
Engineering Report	Report Mischler gave the Engineering and Outage report for March 2019. There were 34 outages during the month, with 1,619 members impacted. None of those affected 500+ members.
Operations Report	Ginn presented the operations report for March 2019. The work orders for the month totaled 50. The new member and construction work orders year-to-date total 94. Ginn updated the Board on work that continues at: Highway 146, 6 Mile Distillery, Highway 55, South Property Phases 1-3, and Gest Road. Potential new projects were discussed.
Executive Session	The Board entered into Executive Session with Zaring present.
Board Policies	<p>Bragg presented for consideration and approval the following board policies:</p> <p>Board Policy 101-Policy Development, Approval, and Administration Board Policy 103-Board of Directors-President and CEO Relationship Board Policy 104-Authority Given by Board of Directors to the President and CEO Board Policy 106-Director and Attorney Benefits Board Policy 107-Attendance of Directors and Attorney at Meetings Board Policy 715-Remote Access</p> <p>Upon motion by Joyce, these policy changes were approved.</p>
Attorney Engagement	The 2018 Attorney Letter of Engagement was reviewed for possible changes or updates. The Board voted to continue the contract with Zaring & Sullivan Law Office for legal services upon motion of Hargadon.
Appointment of EKPC Board Representative and Annual Meeting representative and alternate	<p>Chilton presented a Resolution to re-appoint R. Wayne Stratton as the representative of Shelby Energy on the EKPC Board.</p> <p>Arnold was also appointed as the Shelby Energy representative for the 2019 EKPC Annual Meeting on June 11, 2019, with Hargadon as the alternate.</p>
Appointment of delegate/alternate for CRC and NCSC Annual Membership meetings	Upon presentation by Chilton, Stratton was appointed as delegate and Bragg as alternate for the CRC and NCSC Annual Membership Meeting at the CFC Forum in New York City.

EKPC Report Stratton reported on the EKPC Board meeting held April 9, 2019, in accordance with the Agenda provided to the Directors.

KEC Report The KEC Report was given by Hargadon.

President and CEO Report Bragg provided the President and CEO's report for March.

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



ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



ASHLEY CHILTON, Chairman