

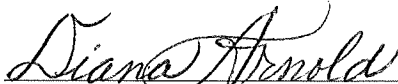
SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting—February 26, 2026

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, via Teams
	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
	Mary Beth Dennis	Director of Communications & Member Services
	Dustin Peach	IT Administrator
	Alan Q. Zaring	Attorney, via Teams
	Board Information	Copies of the following were provided to Board Members on February 20, 2026. Chairman Hargadon called the meeting to order.
	Safety Moment	Jason Ginn presented the Safety Moment on rushing through tasks under pressure.
	Minutes	Copies of the Minutes of the January 22, 2026, meeting presented for review. Upon motion of Joyce, second by Arnold, same were approved.
	Communications & Cooperative Services	Mary Beth Dennis gave the Communications & Cooperative Services Report. She reviewed recent and upcoming Community Events, including the Youth Tour that will occur in Frankfort on March 19.

	<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>
Finance, Accounting & Payroll	<p>Michael Moriarty presented the Accounting and Payroll reports for January, 2026. For the month, the TIER was 2.77 and OTIER was 2.65. Power cost as a percentage of revenue for January was 73.94.</p> <p>The January, 2026, check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.</p> <p>Moriarty also provided an update on the Medical Insurance plan.</p>
Billing and Customer Service	<p>Jennie Pate reviewed the Billing and Customer Service Reports for January, 2026.</p> <p>This included a comparison of membership numbers for January, 2025, and January, 2026. The data shows 14,371 active members currently, compared to 14,185 one year ago.</p> <p>The Collections Summary Report for January was presented. A total of \$2,456.76 was submitted for collection, with \$445.48 being collected by GLA; \$363.83 by OUE; and \$315.06 by Shelby Energy.</p> <p>There were no capital credits issues in January.</p> <p>There were 16 uncollectable accounts for January, totaling \$3,520.80 that were eligible for write-off. A summary of those accounts was provided, and upon motion by Foree, seconded by Joyce, those amounts were approved.</p>
Information Technology	<p>Dustin Peach presented the IT Report for January, 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. -He also provided updates on miscellaneous projects, including AclaraOne's migration to Aclara hosted cloud environment on February 18. <p>He also advised replacement cameras were installed on February 17 and 18 and that a new one will soon be added at the Jericho Warehouse. Testing will</p>

	<p>be conducted to determine if connectivity will allow cameras to be installed at each substation.</p> <p>Peach advised of upcoming training he will be attending.</p> <p>Finally, he advised that the hardware firewall was rebuilt on February 6 and will be put in place at the same time as the new NISC connection and the network segmentation is scheduled for the new switches.</p>
Power Delivery Report	Randy Stevens reviewed the Power Delivery Report for January, 2026. He presented updates on the Construction Work Plan and Contractor Right-of-Way budgets.
Engineering Report	<p>Randy Stevens gave the Engineering Report. He informed the Board that the Cooperative installed 30 new meters for the month of January.</p> <p>He discussed upcoming projects, including WAWA in Simpsonville; Hunt Midwest Building 1 in Simpsonville; Travel America in Shelbyville; and the Shelbyville Batter Pack in Shelbyville.</p> <p>Finally, Stevens reviewed the SAIDI and SAIFI numbers.</p>
Internal Resources Operations	<p>Mike Mason presented the Internal Resources Operations Reports for January, 2026.</p> <p>He advised there were 2 safety meetings in January that covered ___ Insulate and Isolate as well as Mayday.</p> <p>Mason also advised there were 2 job site inspections in January, with no findings.</p>
CRC Voting Delegate Selection	Bragg led the discussion on the need for a CRC Voting Delegate for the NRECA Annual Meeting. Upon motion of Foree, second by Joyce, Bragg was selected as same.
Executive Session	<p>Upon motion of Arnold, second by Foree, the Board entered executive session.</p> <p>Upon motion of Arnold, seconded by Foree, the Board exited executive session.</p>
Board Policies	Bragg and Zaring presented the following policies for consideration and approval:

	<p>BP 102-Functions of the Board of Directors BP 105-Reporting to Board on Key Performance Areas BP 308-Cooperative Credit Cards BP 701-IT Risk Management BP 702-Third Party Access BP 910-Drugs and Alcohol</p> <p>Upon motion by Arnold, and second by Stratton, the policy updates were unanimously approved.</p>
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 March 26, 2026, at 9:00 a.m.


 DIANA ARNOLD, Secretary-Treasurer

Approved:

 PAT HARGADON, Chairman