

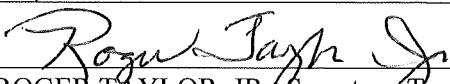
**SHELBY ENERGY COOPERATIVE, INC.**  
**Shelbyville, Kentucky**  
**Board of Directors' Meeting —January 26, 2023**

|                        |  |  |
|------------------------|--|--|
| <b>Regular Meeting</b> | The following persons were present at 9:00 a.m., either in person or electronically. |  |
|                        | <u>Directors:</u>  |  |
|                        | Ashley Chilton   | Chairman                                     |
|                        | Pat Hargadon   | Vice Chairman                                |
|                        | Roger Taylor   | Secretary/Treasurer                          |
|                        | Wayne Stratton   | Director (Electronically)                    |
|                        | Diana Arnold   | Director                                     |
|                        | Jeffrey Joyce  | Director                                     |
|                        |  |  |
|                        | <u>Also Present:</u>   |  |
|                        | Jack Bragg, Jr.  | President & CEO                              |
|                        | Randy Stevens  | SVP, Power Delivery Services                 |
|                        | Nanette McCarty  | Manager, Billing & Customer Service          |
|                        | Dustin Peach   | IT Administrator                             |
|                        | Michael Moriarty   | Chief Financial Officer                      |
|                        | Mary Beth Dennis   | Director, Communications and Member Services |
|                        | Dylan Staples  | Manager of Engineering                       |
|                        | Alan Q. Zaring   | Attorney                                     |
|                        |  |  |

|                          |   |   |
|--------------------------|---|---|
| <b>Board Information</b> | Copies of the following were provided to Board Members on January 20, 2023. |   |
|                          |   |   |
|                          | 1.  | Agenda.   |
|                          | 2.  | Proposed Minutes of December 22, 2022, meeting                    |
|                          | 3.  | Communications and Cooperative Services Report                    |
|                          | 4.  | Finance, Accounting and Payroll Report                            |
|                          | 5.  | Billing and Customer Service Report                               |
|                          | 6.  | Information Technology Report                                     |
|                          | 7.  | Power Delivery Report   |
|                          | 8.  | Engineering Board Report  |
|                          | 9.  | Internal Resources Operations Report                              |
|                          | 10.   | External Resources Operations Report                              |
|                          | 11.   | BP 108-Qualifications, Standards of Conduct, Conflict of Interest |
|                          | 12.   | BP 401-Engineering Planning                                       |
|                          | 13.   | BP 404-Small Unmanned Aerial System                               |
|                          | 14.   | BP 917-Medical Insurance for Retirees                             |
|                          | 15.   | BP 920-Med. Ins. for Active Employees Hired Before July 1, 1996   |
|                          | 16.   | BP 926-Employee Code of Ethics                                    |

|  |  |
|--|--|
| <b>Safety Moment</b>                             | Dylan Staples presented the safety moment on the recent fatality at LG&E.  |
| <b>Minutes</b>                                   | Upon unanimous motion, the Minutes of the December 22, 2022, meeting was approved.   |
| <b>Communications &amp; Cooperative Services</b> | <p>Mary Beth Dennis gave the Communications &amp; Cooperative Services Report.</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>   |
| <b>Finance, Accounting &amp; Payroll</b>         | <p>Moriarty presented the Accounting and Payroll reports.</p> <p>For December, Shelby Energy's TIER was 2.05 and its OTIER was 1.18. Power cost as a percentage of revenue for the month was 78.62.</p> <p>The December, 2022, check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.</p>  |
| <b>Billing and Customer Service</b>              | <p>Nanette McCarty reviewed the Billing and Customer Service Reports for December, 2022.</p> <p>There were 21 uncollectable Accounts for December, with October, 2022, cut-off dates, totaling \$2,713.97.</p> <p>A summary of those accounts was provided, and upon motion by Arnold, seconded by Joyce, those amounts were approved.</p> <p>The Collections Summary Reports for December was presented. A total of \$2,509.30 was submitted for collection, with \$3,496.14 being collected by GLA and \$0 by Shelby Energy in December.</p> <p>Nine estates received capital credit refunds in December, 2022, totaling \$4,651.92.</p> |
| <b>Information Technology</b>                    | Dustin Peach presented the IT Report for December, 2022. That included the Network Failover Performance Report; a Cybersecurity update; and current status of the network infrastructure update; the AT&T FirstNet radio project; and the Microwave Internet project.  |
| <b>Power Delivery Report</b>                     | Randy Stevens reviewed the Power Delivery Report for December, 2022. He presented updates on right-of-way clearing, circuit work, and maintenance cutting and treatment.   |

|   |   |
|---|---|
| <b>Engineering Report</b>               | Dylan Staples gave the Engineering Report for December, 2022. Noteworthy items include a report on how the recent Winter storm was handled and new services completed. Outage figures were also presented.  |
| <b>Internal Operations &amp; Safety</b> | Mike Mason presented the Internal Operations & Safety Report for December, 2022.<br><br>Noteworthy items included 4 job site inspections with no findings, supply chain issues, and project updates.  |
| <b>External Resources Operations</b>    | Jason Ginn presented the External Operations and Safety Report for December.<br><br>Updates were provided on work that continues at Russell Branch and Highway 421 in Henry County and Bardstown Trail in Shelby County, Eddie Lane KU Overbuild, and RDOF and pole treating and changes.   |
| <b>Designation of Voting Delegate</b>   | There was discussion of selecting voting delegates for the NRECA Annual and Regional Meetings, and it was decided to designate Stratton as delegate and Bragg as alternate.   |
| <b>Executive Session</b>                | The Board entered into Executive Session with Zaring present.   |
| <b>Board Policies</b>                   | Zaring and Bragg presented the following policies for consideration and approval:<br><br><div style="text-align: center;"> BP 108-Qualifications, Standards of Conduct, Conflict of Interest<br/> BP 401-Engineering Planning<br/> BP 404-Small Unmanned Aerial System<br/> BP 917-Medical Insurance for Retirees<br/> BP 920-Med. Ins. for Active Employees Hired Before July 1, 1996<br/> BP 926-Employee Code of Ethics </div><br>Upon motion by Hargadon, and second by Taylor, the policy updates were unanimously approved. |
| <b>EKPC</b>                             | Stratton presented the EKPC Report.   |
| <b>KEC</b>                              | Hargadon presented the KEC Report.  |
| <b>President &amp; CEO Report</b>       | Bragg provided the President & CEO's report for December.   |
| <b>Adjourn</b>                          | There being no further business, the meeting was adjourned. The next Board meeting will be Wednesday, February 22, 2023, at 9:00 a.m.   |

  
ROGER TAYLOR, JR., Secretary-Treasurer

Approved:   
\_\_\_\_\_  
ASHLEY CHILTON Chairman