

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting—January 22, 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
		Secretary/Treasurer
	Wayne Stratton	Director
	Diana Arnold	Director
	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
	Dylan Staples	Manager, Engineering
	Jennie Pate	Manager, Billing & Customer Service
	Mary Beth Dennis	Director of Communications & Member Services
	Dustin Peach	IT Administrator
	Alan Q. Zaring	Attorney
	Sam Ramey-Clark	Engineer, Power Systems Engineering, Inc.
	Board Information	Copies of the following were provided to Board Members on January 16, 2026. Chairman Hargadon called the meeting to order.
	Safety Moment	Mike Mason presented the Safety Moment on farm safety.
	Minutes	Copies of the Revised Minutes of the November 20, 2025, and the Minutes of the December 18, 2025, meeting were unavailable for review. Therefore, they were disseminated electronically, and upon motion of Joyce, second by Foree, they were approved.
	Proposed Construction Work Plan	Sam Ramey-Clark with Power System Engineering, Inc. reviewed the proposed Construction Work Plan for 2026-2029. After discussion, Joyce made a motion to approve the Plan, and Arnold seconded. The motion passed and the Plan approved.

<p>Communications & Cooperative Services</p>	<p>Mary Beth Dennis gave the Communications & Cooperative Services Report.</p> <p>She reviewed recent and upcoming Community Events.</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> <p>She also reviewed the Energy Audits, Rebate and Solar Credit Reports, and provided an update on the Smarthub Adoption rate.</p>
<p>Finance, Accounting & Payroll</p>	<p>Michael Moriarty presented the Accounting and Payroll reports for December, 2025. For the month, the TIER was 5.56 and OTIER was 2.36. Power cost as a percentage of revenue for December was 71.24.</p> <p>The December, 2025 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>
<p>Billing and Customer Service</p>	<p>Jennie Pate reviewed the Billing and Customer Service Reports for December, 2025.</p> <p>This included a comparison of membership numbers for December, 2024, and December, 2025. The data shows 14,364 active members currently, compared to 14,186 one year ago.</p> <p>The Collections Summary Report for December was presented. A total of \$4,388.53 was submitted for collection, with \$1,234.67 being collected by GLA; and \$14,844.39 by Shelby Energy.</p> <p>There were no capital credits issued in December.</p> <p>There were 19 uncollectable accounts for November, totaling \$3,469.00, that were eligible for write-off. A summary of those accounts was provided, and upon motion by Arnold, seconded by Foree, those amounts were approved.</p>
<p>Information Technology</p>	<p>Dustin Peach presented the IT Report for December, 2025. 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.

	<p>-Information on a Malicious e-mail on January 5, 2026, and the steps taken to address that.</p> <p>-He also provided updates on miscellaneous projects, including the migration of NISC's Multichannel Messenger, which encountered a problem that is being investigated; the hardware firewall rebuild to take place on January 24; and the new network switches which have been licensed and will be replaced on January 24.</p>
Power Delivery Report	Randy Stevens reviewed the Power Delivery Report for December, 2025. He presented updates on the Construction Work Plan and Contractor Right-of-Way budgets.
Engineering Report	<p>Dylan Staples gave the Engineering Report. He informed the Board that the Cooperative installed 42 new meters for the month. The total new meters installed in 2025 was 447.</p> <p>He reviewed the SAIDI and SAIFI numbers.</p>
Internal Resources Operations	<p>Mike Mason presented the Internal Resources Operations Reports for December, 2025.</p> <p>He advised there were 2 safety meetings in December that covered accident data review and Mayday procedures.</p> <p>Mason also advised there were 6 job site inspections in December, with no findings; and that KEC preformed 1 job site inspection with no findings.</p>
External Operations and Contract Resources	Randy Stevens gave the Operations and Contract Resources Report for December, 2025.
Executive Session	<p>Upon motion of Foree, second by Joyce, the Board entered executive session.</p> <p>Upon motion of Joyce, seconded by Arnold, the Board exited executive session.</p>
Board Policies	<p>Bragg and Zaring presented the following policies for consideration and approval:</p> <p>BP 108: Qualifications, Standards of Conduct, Conflict of Interest Policy for Directors and Key Personnel</p>

	<p>BP 700: Information and Cybersecurity Policy BP 913-Educational Assistance BP 927-Whistleblower</p> <p>Upon motion by Joyce, and second by Arnold, the policy updates were unanimously approved.</p>
Appointment of Secretary/Treasurer	<p>Due to the recent passing of Board Secretary/Treasurer Roger Taylor, the Board discussed the need to appoint someone to that position. After discussion, motion was made by Stratton, with a second by Foree, to appoint Diana Arnold to that position, which was unanimously approved.</p>
EKPC	<p>Stratton presented the EKPC Report.</p>
KEC	<p>Hargadon presented the KEC Report.</p>
President & CEO Report	<p>Bragg provided the President & CEO's report.</p>
Adjourn	<p>There being no further business, the meeting was adjourned. The next Board meeting will be February 26 at 9:00 a.m.</p>



 DIANA ARNOLD, Secretary-Treasurer

Approved:


 PAT HARGADON, Chairman