

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting-September 25, 2025

Regular Meeting	The following persons were present at 9:00 a.m., either in person or electronically.	
	<u>Directors:</u>	
	Pat Hargadon	Chairman
	Jeff Joyce	Vice-Chairman
	Roger Taylor	Secretary/Treasurer
	Wayne Stratton	Director
	Diana Arnold	Director
	Roby Foree	Director
	<u>Also Present:</u>	
	Jack Bragg, Jr.	President & CEO
	Michael Moriarty	Chief Financial Officer
	Randy Stevens	Senior Vice President, Power Delivery Systems
	Jennie Pate	Manager, Billing & Customer Service
	Mary Beth Dennis	Director of Communications & Member Services
	Jason Ginn	Operations and Contract Resources
	Dylan Staples	Manager, Engineering
	Dustin Peach	IT Administrator
	Mike Mason	Manager, Operations
	Alan Zaring	Attorney
	Board Information	<p>Copies of the following were provided to Board Members on September 19, 2025.</p> <p>Chairman Hargadon called the meeting to order.</p>
	Safety Moment	Jason Ginn presented the Safety Moment on taking care when using equipment off-road after a heavy rain.
	Minutes	Upon motion by Stratton, seconded by Arnold, and a unanimous vote, the Minutes of the August 28, 2025, meeting were approved.
	Communications & Cooperative Services	<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>
Finance, Accounting & Payroll	<p>Michael Moriarty presented the Finance, Accounting and Payroll reports for August, 2025. The TIER was 2.60 and OTIER was 2.37. Power cost as a percentage of revenue was 68.02%.</p> <p>Next, Moriarty reviewed the Financial and Statistical Report/Form 7 in detail.</p> <p>The August, check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.</p> <p>The Board discussed the capital invested into the Cooperative's system through various programs, including RDOF. It was noted that a significant number of poles will need replacing simultaneously at the end of their useful life sometime in the future.</p> <p>Moriarty led a discussion with regard to the most recent proposal for the Cooperative's casualty insurance. At the conclusion of that discussion, a motion was called for approval to continue with the current insurance provider. Upon motion by Taylor, second by Joyce, the Board unanimously voted to do so.</p> <p>Moriarty also provided an update on the Medical Insurance plan.</p>
Wages	<p>Moriarty reviewed current wages and proposed increased for non-union employees. The Board stressed the importance of keeping good employees. No action was taken.</p>
Billing and Customer Service	<p>Jennie Pate reviewed the Billing and Customer Service Reports for August, 2025.</p> <p>This included a comparison of membership numbers for 2024 and 2025. The data shows there are 138 more active members in 2025 than the same time in 2024.</p> <p>The Collections Summary Reports for August were presented.</p> <p>In July, a total of \$2,164.36 was submitted for collection, with \$502.94 being collected by GLA and \$479.56 by Shelby Energy.</p>

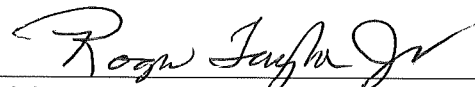
	<p>Pate also reviewed the capital credit numbers. There were 8 capital credit refunds in August, totaling \$6,064.52.</p> <p>There were 12 uncollectable Accounts eligible for writeoff through August, 2025, totaling \$2,692.77.</p> <p>A summary of those accounts was provided, and upon motion by Stratton, seconded by Taylor, those amounts were approved.</p>
Information Technology	<p>Dustin Peach presented the IT Report for August 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>He also provided an update on miscellaneous projects, including the new firewall conversion which will take place on Friday, September 26.</p> <p>Finally, Peach advised he recently attended the NISC Member Information Conference in Louisville, and that he is continuing to work with NISC to change Shelby's current connection method to the NISC cloud servers.</p>
Power Delivery Report	<p>Randy Stevens reviewed the Power Delivery Report for August, 2025.</p> <p>He presented updates on the Construction Work Plan and Contractor Right-of-Way budgets.</p>
Engineering Report	<p>Dylan Staples gave the Engineering Report for August, 2025. He reported that 41 new meters were installed in August. .</p> <p>He also provided updates on various projects being conducted to improve reliability for members.</p>
Internal Resources Operations	<p>Mike Mason presented the Internal Resources Operations Reports for August, 2025.</p> <p>He advised that there were 2 safety meetings in August during which they covered Lock Out-Tag Out.</p> <p>He also reported 5 job site inspections, with no findings.</p>

	<p>Mason further advised that several new services were installed in Old Heritage subdivision; that the first section of Abby Ridge subdivision is energized; and that 3 new linemen had been hired.</p> <p>Finally, Mason reviewed the results of the recent Lineman Rodeo, which included 1st (Cooper Wafzig) and 3rd (Jeff Lea) place finishes in the Overall Journeyman category by 2 Shelby Energy employees.</p>
Operations and Contract Resources	<p>Jason Ginn gave the Operations and Contract Resources Report for August 2025.</p> <p>He provided the Contract Manpower & Equipment Tracking information, as well as updates on several projects.</p> <p>Ginn also reviewed the 2025 PPMC Pole Treating Program and a comparison by substations.</p> <p>Finally, Ginn reviewed a presentation on Safety Stand-Down with sub-contractors Elliott and Groves, separately. There were some safety concerns that resulted in unintended outages, and it was stressed that safety must be their top priority if they want to continue employment at Shelby Energy.</p>
Cooperative Attorney Contract	<p>Bragg led discussion of renewing the Cooperative Attorney Contract per BP 203.</p>
Board Policies	<p>Bragg presented the following policies for consideration and approval:</p> <p>BP 201-Organization Policy BP 202-Service of Consultants BP 203-Functions of Shelby Energy Corporate Attorney BP 305-Rural Economic Development Assistance BP 904-Vacation</p> <p>Upon motion by Arnold, and second by Taylor, the policy updates were 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>
Executive Session	<p>Upon motion of Joyce and second by Foree, the Board voted to enter Executive Session.</p>

	Upon motion of Joyce and second by Foree, the Board voted to exit Executive Session.
Adjourn	There being no further business, the meeting was adjourned. The next Board meeting will be on October 23, 2025, at 9:00 a.m.

Approved:


 PAT HARGADON, Chairman


 ROGER TAYLOR, JR., Secretary-Treasurer