

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting — August 22, 2019

**Regular
Meeting**

The following persons were present at 1:00 p.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 and Payroll
Nanette McCarty	Manager, Billing and Customer Service
Zach Mischler	Manager, Engineering
Jason Ginn	Manager, Operations
Alan Q. Zaring	Attorney
Brian Stavish	CFC

**Board
Information**

Copies of the following were provided to Board Members between August 14 and 20, 2019:

1. Agenda
2. Thank you letter for \$200.00 donation to WHAS Crusade for Children
3. Piano Doctor thank you for hiring as performer at Annual Meeting
4. Thank you for donation from Friends of the Henry Co Public Library
5. Thank you-Henry Co Economic Development Council
6. Thank you-Awake Ministries
7. Thank you-Destiny Burke, 4-Her of the month
8. August 2019 News Wire
9. CFC 2018 Key Ratio Trend Analysis
10. Proposed Minutes of July 18, 2019, meeting
11. Finance and Cooperative Services Report
12. Accounting and Payroll Report
13. Billing and Customer Service Report
14. Power Deliver Services Report
15. Engineering Report
16. Operations Report

17. Board Policy 718-Cyber Security
18. Board Policy 916-Retirement of Cooperative Employees
19. Board Policy 918-Weapons in the Workplace
20. Board Policy 921-Employment Discrimination
21. Board Policy 924-Privacy Policy for Health Benefit Plans
22. Board Policy 925-After Hours Employment Policy
23. OP 6-Purchase of Clothing & Prescription Safety Wear by SEC
24. EKPC Agenda and packet for 8/13/19 meeting

**Call to
Order**

The regular Board meeting was called to order by Chairman Chilton.

**Safety
Moment**

The Safety Moment was presented by Sergio Cole, who discussed back to school safety.

**CFC
Presentation**

Brian Stavish with the CFC presented the Annual CFC KRTA financial ratios.

Minutes

The Minutes of the July 18, 2019, Board of Directors meeting were unanimously approved.

**Finance and
Cooperative
Services**

Jared Routh gave the Finance & Cooperative Services Report.

Noteworthy items were:

The Rebate Reports for July 2019, noted 2 energy audits, with 33 having been conducted year-to-date through July.

Routh also gave the monthly website analytics, and Facebook insights and Top Post.

The compilation of the New Member Surveys for July showed 1 very dissatisfied; 1 dissatisfied; 2 satisfied; and 17 very satisfied with Shelby Energy's services of the 21 surveys returned. This represented a 18% monthly return rate from the 114 members surveyed.

Routh reported on the expenses for the 2019 Annual Meeting, which totaled \$27,189.70.

Routh also gave the semi-annual report on economic development funds, which noted the Guist Creek Lake Marina loan is in place.

Routh then gave the Quarterly KPIs for the second quarter of 2019.

Routh reported on the final budget amendments for 2019. Upon motion of Stratton, seconded by Hargadon, those amendments were approved.

Finally, Routh gave an update on the vehicle insurance and medical insurance policies/updates.

Accounting and Payroll

Sergio Cole presented the Accounting and Payroll reports for July 2019.

Shelby Energy's year-to-date TIER was 1.57 and its OTIER was 1.30 as of July 2019. Power cost as a percentage of revenue for the month was 71.57.

The July 2019 check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.

The Quarterly KPIs for the second quarter of 2019 were presented.

Billing and Customer Service

Nanette McCarty reviewed the Billing and Customer Service Reports for July 2019.

Write offs of Uncollectable Accounts totaling \$3,776.40 were reported from May disconnect dates. A summary of those accounts was provided, and on motion by Hargadon, unanimously approved.

Five estates received capital credit refunds totaling \$2,387.05.

McCarty presented a Collections Summary Report.

For May, \$3,656.02 was submitted to collections, with \$231.44 being collected by GLA and \$0 by Shelby directly.

McCarty also presented Quarterly KPIs for second quarter.

Finally, McCarty presented the semi-annual report on WinterCare and Envirowatts, which noted \$1,475.42 in Wintercare donations by members and employees year-to-date.

Power Delivery Report

Stevens presented the Safety and ROW Report for July 2019. There were no accidents or injuries for the month. There were six inspections of Shelby and contractor crews for those months, with no findings. He reviewed the safety training and meetings for the month.

Stevens also discussed Wright Tree Service's proposed contract extension to maintain ROW. The proposed Contract would be extended until the 2020-2021 clearing years. Upon motion by Hargadon, the Contract was unanimously approved.

Engineering Report

Stevens gave the Engineering and Outage report for July 2019. There were 65 outages during the month, with 2,402 members impacted. Two of those affected more than 500 members. Those were:

July 17 in New Castle, affecting 527 members and lasting for 103 minutes. This outage was due to lightning hitting an insulator and tripped a substation breaker.

July 22 in Bedford, affecting 710 members and last 313 minutes. This outage was due to a large tree, outside the easement, falling across a 3-phase line.

**Operations
Report**

Ginn presented the operations reports for July 2019. The work orders for July totaled 45. Ginn updated the Board on work that continues at: Highway 146, 6 Mile Distillery, Highway 55, South Property Phases 1-3, Pea Ridge to Cat Ridge; and Gest Road.

He also gave the property damage report as of June 2019, which included repairing a yard damages by a ROW crew and replacing a solar panel charger damaged by a fallen line.

Finally, he presented for consideration a proposed contract for underground locates. It is contemplated that the Contract will be ready for review and vote at the September Board meeting.

**Executive
Session**

The Board entered into Executive Session with Zaring present.

**Appointment
of Voting
Delegates for
KEC**

Chilton presented for consideration the appointment of a delegate and alternate for the KEC. Pat Hargadon was appointed as voting delegate and Jack Bragg, Jr., as alternative for 2019 KEC and both were appointed as KEC Board members.

**Board
Policies**

Bragg presented for consideration and approval the following board policies:

Board Policy 718-Compliance Requirements
Board Policy 916-Retirement of Cooperative Employees
Board Policy 918-Weapons in the Workplace
Board Policy 921-Employment Discrimination
Board Policy 924-Privacy Policy for Health Benefit Plans
Board Policy 925-After Hours Employment Policy
Operating Policy 6-Purchase of Clothing & Prescription Safety Eyewear by Shelby Energy

Upon motion by Taylor, these policy changes were approved.

**Wage and
Salary Survey**

Bragg presented the findings of the Wage and Salary Survey.

**EKPC
Report**


Stratton reported on the EKPC Board meeting held August 13, 2019, in accordance with the Agenda provided to the Directors.

**President and
CEO Report**

Bragg provided the President and CEO's report for June.

Adjourn

There being no further business, the meeting was adjourned. The next regular Board meeting is Thursday, September 26, 2019, at 9:00 a.m.



ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



ASHLEY CHILTON, Chairman