

**SHELBY ENERGY COOPERATIVE, INC.**  
**Shelbyville, Kentucky**  
**Board of Directors' Meeting — September 26, 2019**

**Regular Meeting**

The following persons were present at 9:00 a.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
Dustin Peach	Manager, IT
Zach Mischler	Manager, Engineering
Jason Ginn	Manager, Operations
Alan Q. Zaring	Attorney
Barry Lindeman	EKPC

**Board Information**

Copies of the following were provided to Board Members on September 20, 2019:

1. Agenda
2. NRECA Legal Reporting Service
3. Sentinel News article regarding Pat Hargadon's Bell Award
4. Thank you letter from The Agrarian Literary Center/The Berry Center
5. Thank you for Trimble County 4H Camper
6. Thank you from 4H Member of the Month, Madeline Burbage
7. September 2019 News Wire
8. Proposed Minutes-August 22, 2019, meeting
9. Finance and Cooperative Services Report
10. August Financial Review
11. Billing and Customer Service Report for August 2019
12. Safety and ROW Report August 2019
13. Engineering Board Report August 2019
14. Monthly Operations Report August 2019

15. BP 204-Vendor Relations
16. BP 302-General Fund Working Capital and Reserve Funds
17. BP 304-Signing of Checks and Initiation of Electronic Transactions
18. BP 305-Rural Economic Development Assistance
19. BP 309-Petty Cash Fund
20. BP 719-Acceptable Use of Systems
21. KEC Training Announcement-"Communications Training for Directors"
22. EKPC Agenda/Financial Review for meeting 9/10/19
23. KEC Notice of Meeting/Agenda/Finance Documents-9/17/19

**Call to Order**

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

**Executive Session**

The Board entered into Executive Session with Zaring present and Barry Lindeman of EKPC.

**Safety Minute**

The Safety Moment was presented by Randy Stevens, who discussed road safety during harvest time.

**Minutes**

The Minutes of the August 22, 2019, Board of Directors meeting were unanimously approved.

**Finance and Cooperative Services**

Routh gave the Finance and Cooperative Services Report.

Noteworthy items were:

The Rebate Reports for August 2019, noted 2 energy audits, with 35 having been conducted year-to-date through August.

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

The compilation of the New Member Surveys for July showed 32 very satisfied, 5 satisfied, and 1 neither satisfied nor dissatisfied with Shelby Energy's services of the 38 surveys returned. This represented a 33% monthly return rate from the 116 members surveyed.

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

**Accounting and Payroll**

Cole presented the Accounting and Payroll reports for August 2019.

Shelby Energy's year-to-date TIER was 1.61 and its OTIER was 1.4 as of August 2019. Power cost as a percentage of revenue for the month was 71.66.

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

**Billing and Customer Services**

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

Write offs of Uncollectable Accounts totaling \$865.03 were reported from June disconnect dates. A summary of those accounts was provided, and on motion by Arnold, unanimously approved, that amount was approved.

Nine estates received capital credit refunds totaling \$2,784.57.

McCarty presented a Collections Summary Report. For August, \$2,839.34 was submitted to collections, with \$284.13 being collected by GLA and \$0 by Shelby directly.

**Power Delivery Services**

Stevens presented the Safety and ROW Report for August 2019. There were no accidents or injuries for the month. There were 5 inspections of Shelby and contractor crews for those months, with no findings. He reviewed the safety training and meetings for the month.

**Engineering**

Mischler gave the Engineering and Outage report for August 2019. There were 62 outages during the month, with 1,443 members impacted. None of those affected more than 500 members.

**Operations**

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

**Executive Session**

The Board entered into Executive Session with Zaring present.

**Board Policies**

Bragg presented for consideration and approval the following board policies:

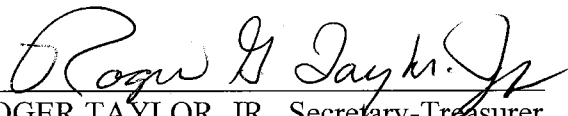
- Board Policy 204-Vendor Relations
- Board Policy 302-General Fund Working Capital and Reserve Funds
- Board Policy 304-Signing of Checks and Initiation of Electronic Transactions
- Board Policy 305-Rural Economic Development Assistance
- Board Policy 309-Petty Cash Fund
- Board Policy 719-Acceptable Use of Systems

Upon motion by Taylor, the changes to BP 302, 304, 305, and 309 were approved.

BP 719 was also approved, with modifications as discussed, for consistency.

BP 204 was dissolved, as redundant, and the Board will look at modifications of BP 926-Code of Ethics to insure that all protections found in BP 204 are contained therein.

- Communications Training for Directors** Bragg discussed the KEC's upcoming Communications Training for Directors on Thursday, December 5, 2019.
- EKPC Report** Stratton reported on the EKPC Board meeting held September 10, 2019, in accordance with the Agenda provided to the Directors.
- KEC Report** Hargadon reported on the KEC Board Meeting held September 17, 2019, in accordance with the Agenda provided to the Directors.
- President and CEO Report** Bragg provided the President and CEO's report for September.
- Adjourn** There being no further business, the meeting was adjourned. The next regular Board meeting will be held Thursday, October 24, 2019, at 9:00 a.m.

  
ROGER TAYLOR, JR., Secretary-Treasurer

  
ASHLEY CHILTON, Chairman