

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting — November 27, 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
Sergio Cole	Manager, Accounting and Payroll
Nanette McCarty	Manager, Billing and Customer Service
Dustin Peach	IT Coordinator
Randy Stevens	SVP, Power Delivery Services
Zach Mischler	Manager, Engineering
Sarah Newton	Safety Coordinator
Jason Ginn	Manager, Operations
Alan Q. Zaring	Attorney

**Board
Information**

Copies of the following were provided to Board Members on November 15, 2019:

1. Agenda.
2. Newswire-November 2019
3. Draft of Minutes for October 24, 2019, Meeting
4. Finance and Cooperative Services Report-October
5. October Financial Review
6. Billing and Customer Service Report-October
7. IT Report-October
8. Safety and ROW Report-October
9. Engineering Board Report-October
10. Monthly Operations Report-October
11. 2020 Budget
12. KEC Communications Training for Directors Flyer
13. CFC Statewide Workshop for Directors Info
14. Info on Directors Conference-April 2020

15. BP 315-Accounts Payable
16. BP 401-Engineering Planning
17. BP 503-Interconnection of Distributed Resources (“IDR”)
18. BP 603-Depreciation Rates
19. BP 721-Internet Access
20. BP 933-Harassment in the Workplace
21. EKPC Agenda-November 12, 2019
22. KEC Agenda-November 13, 2019

**Call to
Order**

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

**Safety
Minute**

The Safety Moment was presented by Jason Ginn, who discussed proper stretching techniques to avoid injury.

Minutes

The Minutes of the October 24, 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 October 2019, noted 3 energy audits, with 41 having been conducted year-to-date through October.

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

The compilation of the New Member Surveys for October showed 25 very satisfied and 5 satisfied with Shelby Energy’s services of the 30 surveys returned. This represented a 30% monthly return rate from the 99 members surveyed.

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

Finally, the Board voted to continue employment of Alan Zumstein for auditing purposes.

**Accounting and
Payroll**

Cole presented the Accounting and Payroll reports for October 2019.

Shelby Energy’s year-to-date TIER was 1.49 and its OTIER was 1.33 as of October 2019. Power cost as a percentage of revenue for the month was 73.96.

Upon Motion by Stratton, the Board voted to authorize Bragg to enter into an agreement with East Kentucky Power for a surcharge review case.

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

**Billing and
Customer
Service**

McCarty reviewed the Billing and Customer Service Reports for October 2019.

Write offs of Uncollectable Accounts totaling \$2,182.98 were reported from August disconnect dates. A summary of those accounts was provided, and on motion by Hargadon, unanimously approved, that amount was passed.

Four estates received capital credit refunds totaling \$2,454.15.

McCarty presented a Collections Summary Report. For October, \$2,105.02 was submitted to collections, with \$374.43 being collected by GLA and \$25.84 by Shelby directly.

**Information
Technology**

Routh presented the IT Report for October 2019.

**Power Delivery
Report**

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

**Engineering
Report**

Mischler gave the Engineering and Outage report for October 2019. There were 56 outages during the month, with 1,028 members impacted. None of those affected more than 500 members.

**Operations
Report**

Stevens presented the operations reports for October 2019. The work orders for October totaled 60. Stevens updated the Board on work that continues at: Highway 146; South Property Phases 2-3; Pea Ridge to Cat Ridge; and The Fairways at Cardinal Club.

Budget

Cole presented the department budgets for 2020. Upon Motion by Taylor, the board unanimously approved the budget.

Executive Session

The Board entered into Executive Session with Zaring present.

**Trainings and
Conferences**

Bragg discussed the Communications Training for Directors in Louisville; the 2020 CFC Financial Workshop; and the 2020 Directors' Conference.

**Board
Policies**

Bragg presented for consideration and approval the following board policies:

Board Policy 315-Accounts Payable

Board Policy 401-Engineering Planning

BP 503-Interconnection of Distributed Resources (IDR)

BP 603-Depreciation Rates

BP 721-Internet Access
BP933-Harassment in the Workplace (from October 2019)

Upon motion by Hargadon, these policy changes were approved.

**EKPC
Report**

Stratton reported on the EKPC Board meeting held November 12, 2019, in accordance with the Agenda provided to the Directors.

**KEC
Report**


Hargadon reported on the KEC Board meeting held November 13, 2019, in accordance with the Agenda provided to the Directors.

**President and
CEO Report**

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

Adjourn

There being no further business, the meeting was adjourned. The next regular Board meeting will be held Thursday, December 19, 2019, at 9:00 a.m.



ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



ASHLEY CHILTON, Chairman