

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting — December 19, 2019

Regular Meeting	The following persons were present at 9:00 a.m. at Shelby Energy's headquarters
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<u>Directors:</u>	
Ashley Chilton	Chairman
Pat Hargadon	Vice Chairman
Roger Taylor	Secretary/Treasurer
Wayne Stratton	Director
Diana Arnold	Director
Jeffrey Joyce	Director
<u>Also Present:</u>	
Jack Bragg, Jr.	President & CEO
Carolyn Cutshaw	Executive Assistant
Randy Stevens	SVP, Power Delivery Services
Sergio Cole	Manager, Accounting & Payroll
Zach Mischler	Manager, Engineering
Jason Ginn	Manager, Operations
Nanette McCarty	Manager, Billing & Customer Service
Sarah Newton	Safety Coordinator
Dustin Peach	IT Coordinator
Alan Q. Zaring	Attorney
Jared Routh	Senior Vice President Finance and Coop. Services

Board Information	Copies of the following were provided to Board Members on 12/12/19.
	<ol style="list-style-type: none"> 1. Agenda. 2. Thank you note, Sheri Stone, GM of Matly Digital Solutions 3. December 2019 Newswire 4. Proposed Minutes of 11/27/19 meeting 5. Certificate of Resolution and Incumbency 6. Finance and Cooperative Services Report 7. November Financial Review 8. Billing and Customer Service Report 9. Information Technology Report 10. ROW Report 11. Safety Report 12. Engineering Board Report 13. Monthly Operations Report 14. Five Year Annual Summary

	15. Proposed Operating Budget 16. Flyer for Statewide Workshop for Directors Training 17. Info on NRECA 202 Directors Conference 18. Notice of KEC Annual Meeting for 2020 19. NRTC Voting Delegate Registration Form 20. NRECA Delegate information 21. BP 108-Qualifications, Standards of Conduct and Conflict of Interest Policy for Directors, Officers and Key Employees 22. BP 907-Other Employee Benefits 23. EKPC Meeting Agenda
Call to Order	The regular Board meeting was called to order by Vice Chairman Hargadon.

Safety Minute	The Safety Moment was presented by Jared Routh, who discussed electrical safety when doing home modifications.
Minutes	The Minutes of the November 27, 2019, Board of Directors meeting were unanimously approved, with an amendment reflecting that Jeff Joyce appeared telephonically.
Certificate of Resolutions and Incumbency	Routh presented the certificate of resolutions and incumbency for CFC Loan #5110 and #5111. Upon motion by Joyce, the certificate was unanimously approved.

Finance & Cooperative Services	<p>Routh gave the Finance & Cooperative Services Report.</p> <p>Noteworthy items were:</p> <p>The Rebate Reports for November, 2019, noted 0 energy audits, with 41 having been conducted year-to-date through November.</p> <p>Routh also gave the monthly website analytics, and Facebook insights and Top Post.</p> <p>The compilation of the New Member Surveys for November showed 20 very satisfied and 4 satisfied with Shelby Energy's services of the 24 surveys returned. This represented a 22% monthly return rate from the 111 members surveyed.</p>
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	Routh also gave an update on the vehicle insurance and medical insurance policies.
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Accounting & Payroll	<p>Cole presented the Accounting and Payroll reports for November, 2019.</p> <p>Shelby Energy's year-to-date TIER was 1.62 and its OTIER was 1.47 as of November, 2019. Power cost as a percentage of revenue for the month was 68.66.</p> <p>The November 2019 check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.</p>
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Billing and Customer Service	<p>Nanette McCarty reviewed the Billing and Customer Service Reports for November, 2019.</p> <p>Write offs of Uncollectable Accounts totaling \$1,143.90 were reported from September disconnect dates. A summary of those accounts was provided, and on motion by Stratton, unanimously approved, that amount was passed.</p> <p>8 estates received capital credit refunds totaling \$4,147.12.</p> <p>McCarty presented a Collections Summary Report. For November, \$1,114.29 was submitted to collections, with \$95.12 being collected by GLA and \$111.98 by Shelby directly.</p>
Information Technology	Dustin Peach presented the IT Report for November, 2019.

Safety Report	Sarah Newton gave the Safety Report for November, 2019. There were 6 inspections of Shelby and contractor crews during the month, with no findings. There were no accidents or injuries for the month. She also reviewed the safety training and meetings for the month.
Power Delivery Report	Stevens presented the ROW Report for November, 2019.

Engineering Report	Mischler gave the Engineering and Outage report for November, 2019. There were 44 outages during the month, with 1,093 members impacted. None of those affected more than 500 members.
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Operations Report	Ginn presented the operations reports for November, 2019. The work orders for November totaled 61. Ginn updated the Board on work that continues at: Webb Road Phases 2-3; South Property Phases 2-3; and The Fairways at Cardinal Club.
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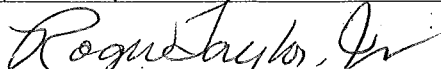
Budget	Cole presented the 2020 final budget for approval. Upon Motion by Hargadon, the Board unanimously approved the budget.
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Executive Session	The Board entered into Executive Session with Zaring present.
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Trainings & Conferences	Bragg discussed the Communications Training for Directors in Louisville; the 2020 CFC Financial Workshop; and the 2020 Directors' Conference.
Voting Delegates	Bragg discussed the appointment of voting delegates for the May 27, 2020, KEC Board meeting; the 2019 NRTC Annual Meeting; and the 2020 NRECA Annual Meeting. Upon motion by Arnold, unanimously approved by the Board, Hargadon was appointed as voting delegate and Bragg the alternate for the KEC; and Stratton the delegate and Bragg the alternate for the NRTC.
Confidentiality Agreement/ Conflict of Interest Statement	BP 108, Confidentiality Agreement and Conflict of Interest Statement was reviewed and executed by Zaring and the Board.
Board Policies	Bragg presented Board Policy 907-Other Employee Benefits, for consideration and approval. Upon motion by Arnold, the policy changes were approved.
EKPC Report	Stratton reported on the November EKPC meeting held in accordance with the Agenda provided to the Directors.

President & CEO Report	Bragg provided the President & CEO's report for November.
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Adjourn	There being no further business, the meeting was adjourned. The next regular Board meeting will be held Thursday, January 23, 2020, at 9:00 a.m.
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 ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



A handwritten signature in black ink, appearing to read 'Ashley Chilton', is written over a horizontal line.

ASHLEY CHILTON, Chairman