

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky
Board of Directors' Meeting—July 16, 2020

Regular Meeting	The following persons were present, telephonically, at 9:00 a.m. at Shelby Energy's headquarters
------------------------	--

<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
Randy Stevens	SVP, Power Delivery Services
Jared Routh	SVP, Finance & Cooperative Services
Sergio Cole	Manager, Accounting & Payroll
Nanette McCarty	Manager, Billing & Customer Service
Zach Mischler	Manager, Engineering
Jason Ginn	Operations Manager
Dustin Peach	IT Administrator
Alan Q. Zaring	Attorney

Board Information	Copies of the following were provided to Board Members on July 10, 2020.
	<ol style="list-style-type: none"> 1. Agenda. 2. Proposed Minutes of 05/28/20 meeting 3. Finance and Cooperative Services Report 4. Proposed Resolution to dissolve 457(f) plan 5. Financial Review 6. Billing and Customer Service Report 7. Information Technology Report 8. ROW Report 9. Safety Report 10. Engineering Board Report 11. Operations Report 12. BP 307-Cash Drawer Registers

	13. BP 308-Cooperative Credit Cards 14. BP 310-Inventory Control
Call to Order	The regular Board meeting was called to order by Chairman Chilton.
Safety Moment	The Safety Moment was presented by Randy Stevens, who discussed Covid-19 safety.
Election of Officers	The offices of Chairman, Vice Chairman and Secretary/Treasurer were up for re-election. Chairman Ashley Chilton, Vice Chairman Pat Hargadon, Secretary/Treasurer, Roger Taylor, all affirmed that they are willing to continue in those positions. Upon motion of Wayne Stratton, seconded by Arnold, these Officers were re-elected to the same positions for an additional term.
Minutes	Upon motion of Hargadon, the Minutes of the May 28, 2020, Board of Directors meeting were unanimously approved.

Finance & Cooperative Services	<p>Routh gave the Finance & Cooperative Services Report.</p> <p>The Rebate Reports for May and June noted no energy audits due the current pandemic, with 15 having been conducted year-to-date.</p> <p>Routh also gave the monthly website analytics for May and June, and Facebook insights and Top Post, as well as the solar energy report.</p> <p>The compilation of the New Member Surveys for May showed 15 very satisfied and 1 satisfied with Shelby Energy's services of the 16 surveys returned. This represented a 15% monthly return rate from the 110 members surveyed. For June, there were 11 very satisfied and 1 satisfied, of the 12 surveys returned. This represented a 17% return rate from the 71 members surveyed.</p> <p>Routh also gave an update on the medical insurance plan status.</p>
Performance Incentive	The Board discussed the NRECA 457(f) performance incentive deferred compensation plan that was provided for the previous CEO. Upon motion of Joyce, seconded by Arnold, the Board voted to terminate this plan.

Accounting & Payroll	<p>Cole presented the Accounting and Payroll reports for May and June, 2020.</p> <p>For May, Shelby Energy's year-to-date TIER was 0.68 and its OTIER was 0.90. Power cost as a percentage of revenue for the month was 66.4%.</p> <p>The May and June 2020 check registers, credit card expenses, fleet card expenses, and Propane Plus financials were available for review.</p>
---------------------------------	--


--	--

Billing and Customer Service	<p>Nanette McCarty reviewed the Billing and Customer Service Reports for May and June.</p> <p>Write offs of Uncollectable Accounts totaling \$1,377.87 were reported from April disconnect dates. A summary of those accounts was provided, and on motion by Stratton, unanimously approved, that amount was approved.</p> <p>Write offs of Uncollectable Accounts totaling \$2,030.05 were reported from March disconnect dates. A summary of those accounts was provided, and on motion by Hargadon, unanimously approved, that amount was approved.</p> <p>3 estates received capital credit refunds totaling \$1,606.14 for the month of June.</p> <p>McCarty presented a Collections Summary Report. For April, \$1,796.01 was submitted to collections, with \$675.89 being collected by GLA and \$354.32 by Shelby directly. For May, \$1,323.63 was submitted to collections, with \$283.22 being collected by GLA and \$490.29 by Shelby directly.</p>
Information Technology	<p>Dustin Peach presented the IT Report for May and June, 2020.</p>
Power Delivery Report	<p>Randy Stevens presented the ROW Report for May and June, 2020.</p>
Safety Report	<p>Randy Stevens gave the Safety Report for June, 2020. There were 4 inspections of Shelby and contractor crews during the month, with no findings. There were no accidents or injuries for the month.</p>

Engineering Report	<p>Mischler gave the Engineering and Outage report for June, 2020. There were 72 outages during the month, with 1611 members impacted. One of these, on June 21, 2020, affected 598 members, and lasted for one hour. It was due to a tree outside the right-of-way falling across 3 ph.</p>
---------------------------	--

Operations Report	<p>Ginn presented the operations reports for June, 2020. The work orders for totaled 76. Ginn updated the Board on work that continues at: Webb Road, single phase to 3 phase; South Property Road, phase 2 to phase 3; Spectrum fiber pole changes; and Highway 42 re-route.</p>
--------------------------	---

Software Analysis	Bragg presented a report regarding the Coops software program options.
Executive Session	The Board entered Executive Session with Zaring present.
Board Policies	<p>Bragg presented the following policies for consideration and approval:</p> <p>BP 307-Cash Drawers/Registers BP 308-Credit Cards BP 310-Inventory Control</p> <p>Upon motion by Arnold, the policy updates were approved, with the amendment that was agreed upon and duly noted regarding BP 310 regarding Inventory Control.</p>
EKPC Report	Wayne Stratton reported that the EKPC did not meet in May or June, but gave an update on EKPC business that he was familiar with.
KEC Report	Hargadon reported that the KEC did not meet in May or June, but gave an update on KEC business that he was familiar with.
President & CEO Report	Bragg provided the President & CEO's report for June.
Adjourn	There being no further business, the meeting was adjourned. The next Board meeting will be August 27, 2020.



ROGER TAYLOR, JR., Secretary-Treasurer

Approved:



ASHLEY CHILTON, Chairman