

**OWEN ELECTRIC COOPERATIVE
REGULAR BOARD MEETING
March 30, 2017**

PRESENT The regular meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owenton, Kentucky, on March 30, 2017, at 9:00 a.m. All Directors were present, along with: Mark Stallons, Mike Cobb, Ann Wood, Brian Jones, Wes Petzinger, Drew Long, Lucas McNally, Missy Moore and Attorney James Crawford.

**CALL TO ORDER,
PLEDGE OF ALLEGIANCE
AND INVOCATION**

The meeting was called to order, and the Pledge of Allegiance and invocation were given by John Grant and Mike Cobb.

ADOPTION OF

AGENDA Upon a motion by Charlie Richardson, seconded by John Grant, the Board voted unanimously to adopt the March, 2017, Board Meeting Agenda as presented.

MINUTES

APPROVED Upon a motion by Alan Ahrman, seconded by Eddie McCord, the February 20, 2017, Regular Board Meeting Minutes and the March 6, 2017, Special Board Meeting Minutes were approved as submitted.

SAFETY

MOMENT Lucas McNally presented the safety moment on the need to slow down and be observant in construction zones.

**MEMBER
CONCERNS**

None.

NEW MEMBERS

ACCEPTED The Directors reviewed and accepted as information a listing of 396 New Coop Members.

**REVIEW OF LISTING OF
TERMINATED ACCOUNTS**

The Directors then reviewed and accepted as information a listing of the terminated accounts.

REVIEW OF PRESIDENT'S CONSULTANT'S AND DIRECTORS'

EXPENSES The Directors then reviewed and accepted as information a listing of the previous month's expenses incurred by the President, Consultant and Directors.

**UNCOLLECTIBLE WRITE-OFFS AND
CAPITAL CREDIT PAYMENT**

The Board reviewed 56 member write-offs of \$10,794.30.

The Board reviewed payment of \$26,170.73 in Capital Credits.

Upon a motion by Eddie McCord, seconded by Hope Kinman, the Board voted unanimously to approve the Uncollectible Write-Offs and Capital Credit Payments.

MEMBER SERVICES

Mike Cobb presented the Member Services report for the month of February, 2017, in accordance with the summary attached hereto and made part of these minutes. Mike advised the PSC has approved the cooperative solar tariff, and he updated the Board on the solar project and the timeline for launching the marketing in regard to same. Mike also reviewed with the Board the plans for the June 16, 2017, annual meeting.

CORPORATE AND RISK MANAGEMENT

Ann Wood presented the Corporate and Risk Management report for the month of February, 2017, in accordance with the summary attached hereto and made part of these minutes. Ann reported on five (5) pending PSC cases and that the coop had no reportable accidents in February, 2017. She reported that the coop is overfunded in the medical plan year to date of \$112,807. Ann reported margins year to date are \$835,977. She advised the Distributed Generation Unit has sustained a net loss of \$17,705 year to date.

OPERATIONS

Brian Jones presented the Operations report for the month of February, 2017, in accordance with the summary attached hereto and made part of these minutes. Brian reported the March 1st storm damage was the 3rd worst for the coop since 2002. The storm affected all nine (9) counties and approximately 33,339 members. Lucas McNally, Service Planning Supervisor, reported on the Nucor conveyor and barge crane project that was recently constructed at the facility in Gallatin County.

TECHNOLOGY

Wes Petzinger presented the Technology report for the month of February, 2017, in accordance with the summary attached hereto and made part of these minutes.

ENGINEERING

Drew Long presented the Engineering report for the month of February, 2017, in accordance with the summary attached hereto and made part of these minutes. Drew updated and discussed with the Board the continued issues with the Distributed Generation Unit not running at 43% efficiency as represented by Caterpillar when purchased.

ANNUAL COMMITTEE MEETINGS

Upon a motion by Rick Messingschlager, seconded by John Grant, the Board voted unanimously to appoint the following members to the Nominating Committee and Credential & Elections Committee for the 2017 Annual Meeting:

Nominating Committee

Greg Ryle
Jim Post
Rich Mason
Gary Easton
Anthony Motley

Credentials Committee

Sharon Coopage
Floyd Cameron
Ed Stubbs
Harry Brock
Rick Nitschke

**ANNUAL ACTIVE MEMBER
BOARD REVIEW**

In accordance with the by-laws, the Board reviewed the active members per county and Board district.

EKPC REPORT

Alan Ahrman presented the March, 2017, regular Board Meeting report for the East Kentucky Power Cooperative, Inc., in accordance with the summary and minutes of said meeting prepared by EKPC staff. The actual summary and minutes cannot be attached to these minutes because of the terms of a Confidentiality and Non-Disclosure Agreement EKPC has required the coop's director representative and CEO to sign before being allowed to attend said meetings.

KAEC REP. Robert True presented the March, 2017, Board Meeting report for KAEC as prepared by KAEC staff. The actual summary cannot be attached to these minutes at the request of KAEC.

ATTY. REP. Jim Crawford reported there was no new litigation for the month.

UPDATES BY MR. STALLONS

Enterprise Risk Management - Mr. Stallons updated the Board on the coop's Enterprise Risk Management program.

Debt Refinancing - Mr. Stallons reported the debt refinancing of a portion of the RUS indebtedness with Co-Bank was completed March 28, 2017.

Balanced Score Card - Mr. Stallons reviewed with the Board the 2016 balanced score card in accordance with the summary attached hereto and made part of these minutes. Mr. Stallons also reviewed with the Board the 2017 performance indicators in accordance with the summary attached hereto and made part of these minutes.

Miscellaneous - Mr. Stallons discussed with the Board the use of McLean Industries as a third party contractor to assist the coop with pole line attachments and tariffs from same.

TRAINING/MEETINGS

Mr. Stallons reminded the Board of the following training/meetings:

Director's Conference - April 1-4, 2017

Audit Committee Meeting - April 13, 2017

Legislative Conference - April 23-25, 2017

OEC Regular Board Meeting - April 27, 2017

OEC Regular Board Meeting - May 25, 2017

ACES Power Conference - June 1-2, 2017

EKPC Annual Meeting - June 6, 2017

NRECA Summer School East - June 9-14, 2017

CFC Forum - June 12-14, 2017

OEC Annual Meeting - June 16, 2017

CoBank Energy Director's Conference - June 27-29, 2017

OEC Regular Board Meeting - June 29, 2017

OEC Regular Board Meeting - July 27, 2017

OEC Regular Board Meeting - August 31, 2017

OEC Regular Board Meeting - September 28, 2017

NRECA Regional Meeting - October 12-13, 2017

OEC Regular Board Meeting - October 26, 2017

KAEC Annual Meeting - November 20-21, 2017

OEC Regular Board Meeting - November 30, 2017

NRECA Winter School - December 1-6, 2017

OEC Regular Board Meeting and Christmas Luncheon - December 14, 2017

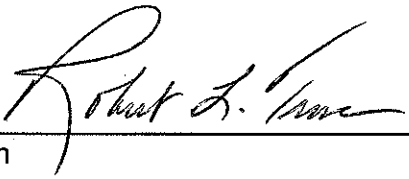
OLD BUSINESS

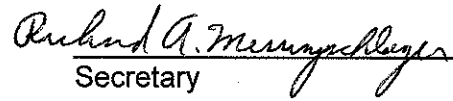
None.

NEW BUSINESS

None.

ADJOURN Upon a motion by Charlie Richardson, seconded by Hope Kinman, the Board voted unanimously to adjourn the meeting.


Chairman


Secretary