

**OWEN ELECTRIC COOPERATIVE
REGULAR BOARD MEETING
December 15, 2016**

PRESENT The regular meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owenton, Kentucky, on December 15, 2016. All Directors were present, along with Mark Stallons, Mike Cobb, Jim Petreshock, Rusty Williams, Missy Moore and Attorney Jim 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, respectively.

ADOPTION OF

AGENDA Upon a motion by Alan Ahrman, seconded by John Grant, the Board voted unanimously to adopt the December, 2016, Board Meeting Agenda as presented.

MINUTES

APPROVED Upon a motion by Charlie Richardson, seconded by Rick Messingschlager, the November 17, 2016, Board Meeting Minutes and the December 9, 2016, Special Called Board Meeting Minutes were unanimously approved as submitted.

SAFETY

MOMENT Hope Kinman gave the safety moment on potential safety issues surrounding the Christmas season.

MEMBER

CONCERNS Alan Ahrman mentioned the advertising he recently saw on Channel 12 WKRC in regard to the coop's button-up program. Alan indicated several coop members had also seen the advertisement and asked him about the button-up program.

NEW MEMBERS

ACCEPTED The Directors then reviewed and accepted the listing of 490 New Members.

**REVIEW OF LISTING OF
TERMINATED ACCOUNTS**

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

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 65 member write-offs of \$8,399.43.

The Board reviewed payment of \$28,959.68 in Capital Credits.

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

OPERATIONS AND ENGINEERING

Rusty Williams presented the Operations and Engineering report for the month of November, 2016, in accordance with the summary attached hereto and made part of these minutes. Mr. Stallons discussed with the Board the failure of the DG unit to meet the efficiency and percentage of run time anticipated based on the Caterpillar representations when purchased. The Board directed management to communicate in writing with Caterpillar the unit deficiencies and demand that same be immediately corrected so as to protect any and all warranty claims.

TECHNOLOGY

Jim Petreshock presented the Technology report for the month of November, 2016, in accordance with the summary attached hereto and made part of these minutes.

MEMBER AND CORPORATE SERVICES

Mike Cobb presented the Member and Corporate Services report for the month of November, 2016, in accordance with the summary attached hereto and made part of these minutes. Mike discussed with the Board the EKPC solar farm and the procedure required for coop members to participate. After many questions and much discussion, upon a motion by Alan Ahrman, seconded by John Grant, the Board voted unanimously to approve the following resolution:

WHEREAS, Owen Electric Cooperative, Inc., ("OEC") is owned by its Members and endeavors to provide its Members with options to voluntarily utilize renewable energy resources;

WHEREAS, East Kentucky Power Cooperative, Inc., ("EKPC") was granted approval in Case No. 2016-00269 from the Kentucky Public Service Commission ("PSC") to construct a community solar facility for the benefit of its Member Cooperatives including OEC; and

WHEREAS, EKPC's wholesale community solar tariff was approved in Case No. 2016-002690; and

WHEREAS, the PSC also approved in Case No. 2016-00269, a retail community

solar tariff template and Community Solar Farm Solar Panel License Agreement for use by EKPC's Member Cooperatives who choose to participate in the wholesale community solar tariff; and

WHEREAS, OEC chooses to participate in EKPC's wholesale community solar tariff to offer community solar renewable energy to OEC Members; and

WHEREAS, the Board has received and considered the recommendations of management to participate in EKPC's wholesale community solar tariff and adopt the retail community solar tariff and Community Solar Farm Solar Panel License Agreement that was approved by the PSC;

NOW THEREFORE BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1) OEC's management is authorized to prepare and file the retail community solar tariff and Community Solar Farm Solar Panel License Agreement that was approved as a template by the PSC in Case No. 2016-00269; and

2) OEC's management is further authorized to take any and all actions necessary or advisable to seek approval of the retail community solar tariff and Community Solar Farm Solar Panel License Agreement with the PSC.

2017 STRATEGIC PLAN AND 2017 BUDGET

Upon a motion by Charlie Richardson, seconded by John Grant, the Board voted unanimously to approve the 2017 Strategic Plan and 2017 Budget as proposed.

EKPC REPORT

Alan Ahrman presented the December, 2016, regular Board Meeting report for 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 REPORT

Robert True presented the December, 2016, Board Meeting summary and minutes for KAEC in accordance with the summary and minutes of said meeting prepared by KAEC staff. The actual minutes and summary of the meeting cannot be attached to these minutes at the request of KAEC.

ATTORNEY REPORT

It was reported there was no new litigation for the month.

UPDATES BY MR. STALLONS

Mr. Stallons told the Board that the Kentucky PSC recently approved a contract between Big River Electric Corporation and the Kentucky Municipal Energy Agency to provide wholesale electric power to as many as nine (9) Kentucky cities, namely: Barbourville, Bardwell, Benham, Corbin, Falmouth, Frankfort,

Madisonville, Paris and Providence. The contract will help Big River utilize the excess capacity caused by the loss of smelter loads at Hawesville and Sebree in 2013-14.

TRAINING/MEETINGS

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

CEO Close-Up - January 8-11, 2017

OEC Regular Board Meeting - January 26, 2017

OEC Regular Board Meeting - February 23, 2017

NRECA Annual Meeting - February 26 - March 1, 2017

OEC Regular Board Meeting - March 30, 2017

Director's Conference - April 1-4, 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

CFC Forum - June 10-14, 2017

OEC Annual Meeting - June 16, 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

OEC Regular Board Meeting - October 26, 2017

OEC Regular Board Meeting - November 30, 2017

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

OLD BUSINESS

None.

NEW BUSINESS

None.

ADJOURN Upon a motion by Hope Kinman, seconded by Charlie Richardson, the Board

voted unanimously to adjourn the meeting.

Robert L. Isaac

Chairman

Richard A. Messing

Secretary