

**OWEN ELECTRIC COOPERATIVE  
REGULAR BOARD MEETING  
January 26, 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 January 26, 2017. All Directors were present, along with Mark Stallons, Mike Cobb, Ann Wood, Rusty Williams, Jim Petreshock, Jennifer Taylor, 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 Hope Kinman and Robert True, respectively.

**ADOPTION OF**

**AGENDA** Upon a motion by Alan Ahrman, seconded by Charlie Richardson, the Board voted unanimously to adopt the January, 2017, Board Meeting Agenda as presented.

**MINUTES**

**APPROVED** Upon a motion by John Grant, seconded by Hope Kinman, the December 15, 2016, and December 29, 2016, Board Meeting Minutes were approved as submitted.

**SAFETY**

**MOMENT** Mike Cobb gave the safety moment on the dangers of slips, trips and falls.

**MEMBER**

**CONCERNS** None.

**NEW MEMBERS**

**ACCEPTED** The Directors then reviewed and accepted the listing of 398 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 86 member write-offs of \$16,333.72.

The Board reviewed payment of \$23,153.30 in Capital Credits. Upon a motion by John Grant, seconded by Rick Messingschlager, the Board voted unanimously to approve the Uncollectible Write-Offs and Capital Credit Payments.

## **MEMBER AND CORPORATE SERVICES**

Mike Cobb presented the Member and Corporate Services report for the month of December, 2016, in accordance with the summary attached hereto and made part of these minutes. Mike reported that approximately 26% of the 2016 capital credits distribution checks have not yet been cashed by coop members. He reported that 2016 uncollectibles continued a downward trend the coop has seen for several years. Mike reported the annual meeting of members will be Friday, June 16, 2017, at the Grant County High School. The Director(s) for Districts 4, 5 and 7 will be up for election at the annual meeting. Mike also answered numerous Board questions on the EKPC solar farm which will consist of 32,000 panels and each of those panels can be licensed by a coop member at a cost of approximately \$460 each.

Ann Wood presented the Financial report for the month of December, 2016. She reported patronage capital and operating margins through December, 2016, at approximately \$3,913,820.96. Ann reported the medical plan ended the year overfunded. She reported net savings through December, 2016, for the distributed generating unit was \$69,779. Ann also reported on three (3) pending PSC cases and that the coop had no lost time accidents in December, 2016.

## **OPERATIONS**

Rusty Williams presented the Operations report for the month of December, 2016, in accordance with the summary attached hereto and made part of these minutes.

## **TECHNOLOGY**

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

## **ENGINEERING**

Jennifer Taylor presented the Engineering report for the month of December, 2016, in accordance with the summary attached hereto and made part of these minutes.

## **BOARD POLICIES**

Upon a motion by Charlie Richardson, seconded by John Grant, the Board voted unanimously to approve Policy 416 and changes to Policy 408 and 410 as recommended by management.

## **PENSION PLAN**

After discussion and questions on the coop pension plan and upon a motion by Alan Ahrman, seconded by John Grant, the Board voted unanimously to approve the following resolution:

WHEREAS, Owen Electric Cooperative, Inc., is participating in the NRECA defined benefit plan, the Retirement Security Plan (the "RS Plan"), and;

WHEREAS, the Board of Directors of Owen Electric Cooperative, Inc., ("the Board") now desires to amend these plans pursuant to Section 18.02 of the pension plan document, and does hereby authorize the amendment effective March 1, 2017, by executing the appropriate Adoption Agreements;

BE IT RESOLVED, that effective March 1, 2017, the RS Plan for 18037-001 is divided into two groups: 001B and 001D.

BE IT FURTHER RESOLVED, that the RS Plan for 18037-002 is cancelled effective February 28, 2017. All employees covered under the 18037-002 RS Plan shall transfer to 18037-001B effective March 1, 2017. The provisions of the Plans shall mirror the 18037-001B RS Plan in effect on February 28, 2017, with the exception of the following provisions:

18037-001B RS Plan

- : Eligible Employees are Employees of Owen Electric Cooperative, Inc., hired before January 1, 2017.
- : Ineligible Employees are Employees hired, rehired, or transferred to Owen Electric Cooperative, Inc., on or after January 1, 2017.

18037-001D RS Plan

- : Eligible Employees are Employees hired, rehired, or transferred to Owen Electric Cooperative, Inc., on or after January 1, 2017.  
Ineligible Employees are Employees of Owen Electric Cooperative, Inc., hired before January 1, 2017.  
The Normal Retirement Date shall be the first day of the month coincident with or next following a Participant's attainment of age 62.

Participants who are rehired on or after January 1, 2017, shall be ineligible for the retirement plan provisions applicable to employees hired before January 1, 2017. Participants transferring from another Participating System on or after January 1, 2017, shall be ineligible for the retirement plan provisions applicable to employees hired before January 1, 2017.

BE IT FURTHER RESOLVED, that the Board recognizes that certain nondiscrimination tests will be required to be performed with respect to this plan amendment. The Board further recognizes that any corrective action necessitated as a result of annual nondiscrimination testing would likely entail additional contributions for which the Co-op agrees to retain liability.

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct Mark A. Stallons, the President & CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

## **EKPC REPORT**

Alan Ahrman reported there was no EKPC Board Meeting in January of 2017. However, the Board did have a training session in January, 2017.

**KAEC REP.** 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.

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

## **UPDATES BY MR. STALLONS**

Mr. Stallons reported on the following:

Pension Plan Update - Mr. Stallons reported the paperwork has been filed with NRECA and management is working toward a transition to the new pension plan on or before the end of March, 2017.

Distributed Generation Project - Mr. Stallons advised the Board he sent a January 17, 2017, letter to Electric Power Gas and Microgrid Product Sales expressing concerns with the Distributed Generation Unit not operating at the warranted 43.8% efficiency. Mr. Stallons requested, among other things, that the warranty on the unit be extended for one (1) year following the date the unit reaches the warranted performance.

## **TRAINING/MEETINGS**

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

OEC Regular Board Meeting - February 20, 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.

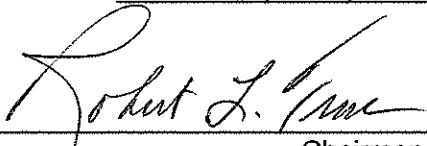
**NEW BUSINESS**

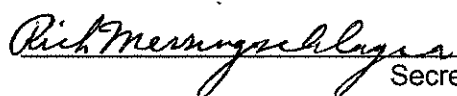
None.

**EXECUTIVE**

**SESSION** Upon a motion by Rick Messingschlager, seconded by Eddie McCord, the Board voted unanimously to go into executive session at 12:30 p.m., to discuss a personnel issue. Upon a motion by Rick Messingschlager, seconded by Charlie Richardson, the Board voted unanimously to exit executive session at 1:35 p.m.

**ADJOURN** Upon a motion by Charlie Richardson, seconded by John Grant, the Board voted unanimously to adjourn the meeting.

  
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Chairman

  
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Secretary