

**OWEN ELECTRIC COOPERATIVE  
REGULAR BOARD MEETING  
May 25, 2017**

**PRESENT** The regular meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owen County, Kentucky, on May 25, 2017. All Directors were present, along with: Mark Stallons, Mike Cobb, Ann Wood, Rusty Williams, Jim Petreshock, 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 Eddie McCord and Mark Stallons.

**ADOPTION OF**

**AGENDA** Upon a motion by Hope Kinman, seconded by Charlie Richardson, the Board voted unanimously to adopt the May, 2017, Board Meeting Agenda as presented.

**MINUTES**

**APPROVED** Upon a motion by Rick Messingschlager, seconded by Eddie McCord, the Board voted unanimously to approve the April 27, 2017, regular Board Meeting Minutes.

**SAFETY  
MOMENT**

Mike Cobb presented the safety moment on inadequate sleep and the adverse effect(s) it has on judgment, performance and safety.

**MEMBER**

**CONCERNS** Alan Ahrman shared a positive comment a member in the Mentor area made to him about coop employees good work performance.

**NEW MEMBERS**

**ACCEPTED** The Directors reviewed and accepted as information a listing of 485 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 63 member write-offs of \$7,885.37, a list of which is attached hereto and made part of these minutes.

The Board reviewed payment of \$17,814.84 in Capital Credits, a list of which is attached hereto and made part of these minutes.

Upon a motion by Alan Ahrman, seconded by John Grant, 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 April, 2017, in accordance with the summary attached hereto and made part of these minutes. Mike reported that ground was recently broken on the Cooperative Solar Farm One which will be located on 60 acres near East Kentucky Power Cooperative, Inc., headquarters at Winchester, Kentucky. It will be adjacent to Interstate 64 and feature 32,300 solar panels, which are available for licensing by end use retail members of the 16 owner member cooperatives. Mike reported 13 Owen coop members have already licensed 30 panels. Mike explained that coop members interested in the Solar Farm can find additional information on the coop's website.

## **BYLAW AMENDMENT**

On motion by Alan Ahrman, seconded by Rick Messingschlager, the Board voted unanimously to amend Article V of the Bylaws, as follows:

**SECTION 5: Qualifying Meetings.** Attendance at meetings of the Board may be in person or via telephone/video conference. When applicable, roll call will be taken at the beginning of the meeting to establish telephone/video conference participation.

## **POLICY NO. 319, EQUITY MANAGEMENT PLAN**

After lengthy discussion in regard to the Coops, appropriate equity distribution level, on motion by Rick Messingschlager, seconded by Charlie Richardson, the Board voted unanimously to amend Policy No. 319, a copy of which is attached to these minutes, in accordance with Management's recommendation.

## **CORPORATE AND RISK MANAGEMENT**

Ann Wood presented the Corporate and Risk Management report for the month of April, 2017, in accordance with the summary attached hereto and made part of these minutes. Ann reported on four (4) pending PSC cases and that the coop had a single fatality accident in April 2017. Ann reported that the coop is underfunded in the medical plan year to date of \$130,856. Ann reported margins year to date are \$1,289,459. She advised the Distributed Generation Unit has

incurred a net loss of \$23,108 year to date.

## **OPERATIONS**

Rusty Williams presented the Operations report for the month of April, 2017, in accordance with the summary attached hereto and made part of these minutes.

## **TECHNOLOGY**

Jim Petreshock presented the Technology report for the month of April, 2017, in accordance with the summary attached hereto and made part of these minutes.

## **EKPC REPORT**

Alan Ahrman presented the May, 2017, 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 REPORT**

Robert True presented the May, 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. REPORT**

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

## **UPDATES BY MR. STALLONS**

Mr. Stallons reported on the following:

Enterprise Risk Management - Mr. Stallons discussed the Board Risk Oversight Committee (BROC) meeting held immediately before the regular Board meeting. He noted 68 risk areas have been identified and management is in the process of assessing and prioritizing same.

Debt Refinancing Update - Mr. Stallons advised that the Co-Bank refinancing has been completed.

Miscellaneous - Mr. Stallons advised that Nucor Steel will build another galvanizing line at its Gallatin County facility with an estimated \$176 million investment adding an additional 25 MWs to their load.

## **TRAINING/MEETINGS**

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

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 30, 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**

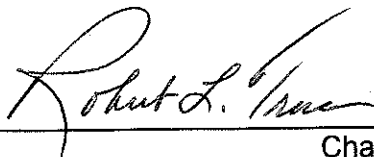
None.

#### **EXECUTIVE SESSION**

On motion by Charlie Richardson, seconded by John Grant, the Board voted unanimously to go into Executive Session at 2:09 p.m. to discuss a personnel issue.

On motion by Rick Messingschlager, seconded by Alan Ahrman, the Board voted unanimously to go into Executive Session at 2:24 p.m.

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



Chairman



Secretary