

**OWEN ELECTRIC COOPERATIVE
REGULAR BOARD MEETING
April 5, 2018**

PRESENT The regular meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owenton, Kentucky, on April 5, 2018, at 9:00 a.m. All Directors were present with Director Alan Ahrman joining by phone conference. Also present were: Mark Stallons, Judy Osborne, Theresa Hamilton, Rusty Williams, April Brown, 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 John Grant and Robert True.

ADOPTION OF

AGENDA Upon a motion by Charlie Richardson, seconded by John Grant, the Board voted unanimously to adopt the March, 2018, Board Meeting Agenda as presented.

MINUTES

APPROVED Upon a motion by Rick Messingschlager, seconded by Eddie McCord, the February 22, 2018, Regular Board Meeting Minutes were approved as submitted.

SAFETY

MOMENT Mr. Stallons presented the safety moment on the need for defensive driving in regard to the dangers posed by large trucks on the interstate.

**MEMBER
CONCERNS**

Judy Osborne explained that staff at the request of a consumer have changed some practices in regard to the coop's commercial accounts.

NEW MEMBERS

ACCEPTED The Directors reviewed and accepted as information a listing of 362 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 64 member write-offs of \$9,305.11.

The Board reviewed payment of \$28,372.16 in Capital Credits.

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

ACCOUNTING AND HUMAN RESOURCES

April Brown presented the Accounting and Human Resources report for the month of February, 2018, in accordance with the summary attached hereto and made part of these minutes. April reported operating margins through February, 2018, of \$1,061,724.

MEMBER SERVICES

Judy Osborne presented the Member Services report for the month of February, 2018, in accordance with the summary attached hereto and made part of these minutes.

OPERATIONS

Rusty Williams presented the Operations report for the month of February, 2018, in accordance with the summary attached hereto and made part of these minutes.

ENGINEERING

Jennifer Taylor presented the Engineering report for the month of February, 2018, in accordance with the summary attached hereto and made part of these minutes. Jennifer reported the Distributed Generation Unit efficiency rating through February, 2018, was 40.35% and a run time of 42.9%.

TECHNOLOGY

Jim Petreshock presented the Technology report for the month of February, 2018, in accordance with the summary attached hereto and made part of these minutes. In addition, Jim reported on the coop's response to recent storm damage and customer outages totaling approximately 3,778. It took approximately 18 hours and 45 minutes to restore all of the outages.

EKPC REPORT

Alan Ahrman presented the March, 2018, 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. Mr. Stallons presented the March, 2018, 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. Jim reported at length about South Kentucky PSC Case No. 2018-00050 regarding their request to be allowed to purchase 58 MWs of power from Morgan Stanley Capital Group, Inc., for 20 years beginning June 1, 2019, under Amendment No. 3 and the MOU.

After questions and much discussion, upon a motion by Rick Messingschlager, seconded by John Grant, the Board voted unanimously to waive the eighteen (18) month prior written notice provision to EKPC of cancellation of an alternative source notice per the MOU to the extent that it may be applicable to South Kentucky's contract with Morgan Stanley Capital Group for the purchase of 58 MWs of power.

UPDATES BY MR. STALLONS

Power Supply Options - Mr. Stallons spoke generally to the Board about power supply options given the pending PSC case with South Kentucky Case No. 2018-00050.

Enterprise Risk Management - Mr. Stallons reported that survey results are being tabulated and staff is continuing to work on same.

Strategic Planning Retreat - Mr. Stallons reported staff is continuing to discuss the possibility of a board strategic planning retreat for this summer.

May Board Meeting - Upon a motion by Charlie Richardson, seconded by Eddie McCord, the Board voted unanimously to reschedule the May Board Meeting for Tuesday, May 29, 2018.

TRAINING/MEETINGS

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

Legislative Conference - April 8-10, 2018

Audit Committee Meeting - April 19, 2018

OEC Regular Board Meeting - April 26, 2018

OEC Regular Board Meeting - May 29, 2018

CFC Forum - June 10-13, 2018

OEC Annual Meeting - June 15, 2018

OEC Regular Board Meeting - June 28, 2018

CoBank Energy Directors Conference - July 10-12, 2018

OEC Regular Board Meeting - July 27, 2018

OEC Regular Board Meeting - August 30, 2018

OEC Regular Board Meeting - September 27, 2018

NRECA Regional Meeting - October 9-11, 2018

OEC Regular Board Meeting - October 25, 2018

OEC Regular Board Meeting - November 29, 2018

OEC Regular Board Meeting and Christmas Luncheon - December 20, 2018

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