

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On January 25, 2019, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes From the December 2018 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Ken Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for November 2018 – Bradley Cherry
8. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:
 

July 2018	Work Order No. 1296	\$843,114.12
	Work Order No. 1297	\$10,168.65
August 2018	Work Order No. 1298	\$257,653.76
	Work Order No. 1299	\$2,783.14
September 2018	Work Order No. 1300	\$185,151.90
	Work Order No. 1301	\$870.18
	Total	\$1,299,741.75
9. Rate Case Update
10. Cooperative Legal Matters – W. Jeffrey Scott
11. Manager of Technical Services Report – Brian Poling
12. Manager of Marketing & Member Services Report – Kim Bush
13. Manager of Operations and Safety Reports – Kyle Clevenger
14. Approval of Fifty-Two (52) New Memberships and Retirement of Sixty-Eight (68) Existing Memberships for January 2019
15. Consider Approval of Accounts to be Charged Off to Reserve \$2,717.77
16. Consider Approval of President's Business Expense in the Amount of \$99.68, Director's Business Expense in the Amount of \$12,332.80 and Attorney's Business Expense in the Amount of \$6,385.90
17. Consider Community Service and/or Donations

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA  
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18. Attendance at Meetings – Directors and Employees
19. No Conflict of Interest Declaration – Board of Directors
20. Confirm Date for the February Board Meeting – February 22, 2019
21. Additional Business
22. Adjourn



On December 20, 2018 at 9:12 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; Bradley Cherry, Manager of Finance & Accounting; and Priscilla Sparks, Executive Assistant.

INVOCATION	Chairman Dupuy gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the minutes from the November Board Meeting for informational purposes only.
PRESIDENT'S REPORT	President Fraley reported on the following:
SUGAR TREE BRANCH	We have removed our last communications tower. It was located on Sugar Tree Branch in Lawrence County.
ELWOOD RUSSELL	Elwood Russell is still complaining because we did not pay him the \$900 it cost to have the mast straightened after a tree fell. The tree pulled the line tight causing his service mast to bend. The tree was off the right-of-way and the right-of-way was in good condition. He has contacted the PSC, AG and BBB.
PIKE ELECTRIC	Pike Electric has asked for an increase for the 2019 one year contract extension.
KAEC DIRECTOR'S REPORT	Director Whitt reported on the following:  *The Farm Bill and its effect on Electric Cooperatives was discussed. The Cushion of Credit can be rebuilt to \$581 million and EKP will not have to go in for a rate increase for 3 years. This will probably affect payment of capital credits. We became a member with EKPC in 1964 and were assigned Capital Credits. *Transformers will probably go up 25%-50% due to import tariffs on aluminum, reported Gary Burnett. *Charging stations for cars are very expensive. Private owners of charging stations cannot charge more than they use. Some coops are putting in charging stations. *President Perry talked about net metering and said it has bounced around for 2-3 years. There is not enough to be concern about the bill. On January 22, CEO Fraley will sit in on phone conference in regards to this. *The legislative breakfast will be held February 7, 2019. *Mickey Miller has retired. Their engineer, Greg Lee will succeed him. *Bruce Aaron Davis was seated as the new CEO at Big Sandy, upon Bobby Sexton's retirement. *Debbie Martin of Shelby Energy, last meeting was November. *WE OWN IT is a group of Cooperative members who are questioning a lot of cooperative activities. They are writing letters to legislators in all 50 states. They do not approve of health insurance or compensation nor educational classes.
RATE CASE	The Attorney General's office sent questions regarding the Test year 2017, but have even gone back to 2013 on such things as directors insurance and retirement.

RATE CASE (CONTINUED)	Director Martin reported that the class he took had one item for discussion about the director's salaries published.
EKPC DIRECTOR	Director Arrington reported on the October financial overview from the East Kentucky Power Cooperative Board Meeting.  *Margins \$5.1million (was this profit; they don't tell you that). *Budgeted margins \$2.7million over budget. *Revenue over budget \$5.2 million. *Expenses were over budget \$2.5 million. *Year-to-date margins over budget by \$12.6 million due to high revenue, weather and lower than expected o & m expenses off setting higher than expected purchases and fuel expense. *Cost of member system was above budget for the month and year to date. *Annual margins over budget by \$3.0 million. *Director Arrington went over the budget and their expenses in detail.
FINANCIAL & STATISTIC REPORT FOR OCTOBER 2018	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for October 2018:
SALES AND PURCHASES	Kilowatt hour sales for the month of October were 1.78% over budget. Purchases for the month of October were 8.41% over budget. Line loss for the last twelve months was 5.33%. Year-to-date margins were \$256,713 compared to the budgeted amount (\$682,583). Sales were down 3% compared to last October. Line loss due to change in billing in September was 21%.
FUEL ADJUSTMENT	The fuel adjustment for was (0.011874).
ESC	The environmental surcharge was 7.68%.
DEGREE DAYS	There were 392 degree days; 99 cooling degree days and 293 heating degree days.
T.I.E.R.	October 2018's monthly O.T.I.E.R. was (1.16) with the rolling month O.T.I.E.R. at 1.54. Our T.I.E.R. is better in 2018 than the last 3 years.
BILLS	We mailed 15,384 bills in October. Bills mailed were down 62 from last month and 29 from last October. County by county count was: Carter 4,578 (30%), Elliott 3,645 (24%), Greenup 4,296 (28%), Lawrence 761 (5%), Lewis 318 (2%) and Rowan 1,786 (11%). The new billing cycle should start to match up now.
CAPITAL CREDITS	One hundred sixty three capital credit accounts have been paid in full at this point for 2018.
PSC CASE NO. 2018-00272	We received the third round of questions from the Attorney General on Grayson's rate case. Alan Zumstein and Jim Adkins were here Monday and Tuesday and worked with us on replies. They were taken to Legal Counsel Scott to review.
WORK PLAN	The work plan has been extended for one year. After talking to Mike Norman, he said the Contractor can ask for more money. We still have \$11million in our work plan. Pike gave a proposal for an increase on men and trucks.

PLANNING & REVIEW  
COMMITTEE

The Planning & Review Committee met December 10, 2018 to review the 2019 Proposed budget.

PIKE ELECTRIC

We plan to take comparative bids on the Work Plan extension. The trackhoe with rubber tracks is a major issue. Pike wants to charge 40 hours a week.

We received two additional bids from New River and Davis Elliott that were significantly higher. Taking the trackhoe out of the equation for all three bidders, Pike's bid was 11.5 percent higher for a 40 hour week, without the trackhoe and this was the lowest bid. Kyle will make an effort to get as much work done with the trackhoe while the weather is bad and then send it back to Pike. We can always use a bulldozer or trackhoe on metal tracks that are available here locally. Our next Work Plan contract will most likely be 35-40% more. The demand for linemen is running the prices up.

Director Arrington asked if it was time to hire a hot line crew. We have already started working on this to see if it is feasible. In the future a hotline crew will be considered by GRECC. We are looking at Cooperatives who have hot crews and how they blend in with the work force.

Director Martin made a motion to accept the proposal as accepted with the stipulation that the track machine has to be out of here by April, seconded by Director Whitt and unanimously agreed upon.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR OCTOBER 2018

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for October 2018 as presented, for informational purposes only.

2019 BUDGET

We probably will not have money on the rate case until July 2019. We cannot plan this budget as we normally would, as we will not have those funds until the middle of the year. Bradley went over the budget and gave examples of what could happen if we don't receive our increase until May or later. The Workplan increase will not affect the budget.

WORK PLAN MONEY

The RF meters that are being ordered from Landis + Gyr are being paid out of this Work Plan. Director Whitt asked how we determine how we pay back a loan. We pay in interest and principle. Right now, we are paying around \$33,000 per month. The total for CoBank, FFC and CFC is around \$91,000 in interest per month. This number affects our T.I.E.R.

BUDGET REQUEST ITEMS

Vehicle replacements totaled was at \$252,000. Upgraded licenses, phone conversion and voice mail to work are included in IT and are very expensive. Discussion was held on how we would operate during an emergency. We plan to purchase 2 drones for construction crews. We need a camera, Brian Poling a computer, 2 tablets for RF system. Metering needs a toolbox and cover. The Budget contains \$15,000 for pole testing, cost of a new roof for warehouse and automation of the gate at the garage, and redoing the parking lot over the hill. This will not be done until creek dredging is done by the City. The work plan study by Leidos will cost approximately \$38,000. Total of projects are \$344,385. If GDP grows we need to increase interest rates to meet our T.I.E.R. Insurance went up, along with interest and depreciation. CoBank and CFC expect interest rates to go up. President Fraley said we were conservative when working on the budget.



BUDGET REQUEST ITESM (CONTINUED)	The Committee made a motion that the Board approve the Budget as presented, Director Martin seconded and unanimously agreed upon.
RATE CASE UPDATE	As mentioned throughout the meeting we are answering questions. February 19, 2019 is the hearing date.
LEGAL COUNSEL	Legal Counsel Scott reported on the following:
COLLECTION LETTERS	His office mailed out 4 collection letters.
RIGHT-OF-WAY EASEMENTS	Easements were completed and recorded in the following counties: Greenup (4), Carter (13), Rowan (16) and Elliott (9). They are waiting to get easements back from Greenup (4), Rowan (1) and Elliott (1).
RONNIE JAMES	He received a letter from Derrick Willis in regard to Mr. Ronnie James' request to have a line moved. President Fraley said the current property owner refused to allow us to start building a new line on his property. President Fraley will return Mr. James' check to Legal Counsel Scott and have him send it back to Mr. James with an explanation.
PSC RATE CASE	Motion was filed with the PSC on the Rate Case asking for confidential treatment on staff minutes.
RENEWAL CONTRACT	Legal Counsel asked about the extension of his contract. Chairman Dupuy excused Legal Counsel from the meeting. No action was taken.
LEGAL COUNSEL CONTRACT	Director Martin made a motion to table Legal Counsel's contract until next month, seconded by Director Bentley and unanimously agreed upon.
MANAGER OF TECHNICAL SERVICES	Andrea McCleese, Assistant Manager of Technical Services reported on the following:
RF METERING	Approximately 300 RF metering router location surveys have been completed. Seventy-five percent will need to be built before we can start meter changes.  Brian Poling, Steve Bush and Scott McGuire attended RF Network Deployment training in Lafayette, IN at the end of November.  Peggy Skaggs and Andrea attended Command Center software training in Pequot Lakes, MN at the beginning of December.  John Heine, our Landis+Gyr Project Manager, visited for the first time December 11 <sup>th</sup> .  Steve Bush and Brian went to training for staking, metering and CSP transformers.  Robert Brown and Scott Speaks have started drawing staking prints for the router installations. Each router and collector will have its own print and work order for RUS financing.
MANAGER OF MARKETING AND MEMBER SERVICES	Kim Bush, Manager of Marketing and Member Services reported on the following:

**LIHEAP** The initial phase of LIHEAP is over and the crisis phase begins January 7<sup>th</sup>. We received \$64,917 in payments from NEKADC, Gateway and Licking Valley. They were:

Morehead \$58,725      Gateway \$4,974      Licking Valley \$1,218

**PREPAY** PrePay's to date are:

Active PrePay Accounts - 787      Inactive Accounts - 13  
Average Payment - \$39.78      Total Payment Amount - \$154,753.97

**DEBT MANAGEMENT** We have 52 active accounts with Debt Management totaling \$10,183.25

**EKPC ENERGY PROGRAMS** We plan on keeping the programs EKP offers at no charge to us.

Direct Load Control – no new installations on water heaters, but will continue to pay on existing water heater switches, adding a bring your own thermostat option to the program for Smart Thermostat.

Energy Star Manufactured Home – lowering incentive to \$1,150 and rebate goes to member instead of manufacturer.

**OPERATIONS REPORT** Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

**EMPLOYEE/LOST TIME ACCIDENT** There were no lost time accidents to report this month.

**JOBS BUILT** Construction built one hundred forty-four (144) new workorders (including 19 services added and 7 services retired) for the month of November and worked zero (0) hours of overtime.

**DELINQUENT NOTICES** There were 147 delinquents for December. Thirty-six (36) cards were issued to be disconnected and 1 account was disconnected by remote meter on December 11 for cycle 1. One hundred eleven (111) cards were issued to be disconnected and 7 accounts were disconnected by remote meter on December 17 for cycle 2. Field personnel disconnected a total of 13 meters and a total of 2 meters were reconnected by field personnel and remote.

**OVERTIME HOURS** The Maintenance Department worked four hundred sixteen (416) hours of overtime. The Engineering Department worked zero (0) hours of overtime.

**CONTRACT CREWS** We have one (1) Pike crew working in the following areas:

Bob Marrow—Coordination's and Pole Changes various counties

**RIGHT-OF-WAY CREWS** We have ten (10) W A Kendall right-of-way crews working on random jobs and workorders at this time. Crew's trimmed 596 trees, cut 929 trees, cut 29,315 feet of brush/line and sprayed 46 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties  
1 cutting crew in Rowan County  
2 cutting crews in Lawrence and Elliott Counties  
1 bucket truck crew in Carter, Lewis and Greenup Counties

RIGHT-OF-WAY CREWS  
(CONTINUED)

1 bucket truck crew in Rowan County  
1 bucket truck crew in Elliott County  
1 tractor crew in Carter County  
2 spray crews in Elliott County

Smith Tree Service, circuit crew on ST RT 486, Elliott County

ENGINEERING REPORT

The Engineering Department released one hundred twenty (120) prints consisting of 3,197 feet of primary line and 2,180 feet of service wire.

They currently have three (3) new services to be staked and two (2) to be drawn. There are six (6) miscellaneous jobs to be staked or drawn.

SAFETY REPORT

The following safety meetings were held during September:

November 5, Kim Bush, Manager of Accounting and Human Resources, turned the meeting over to Tina Preece and Sherry Conley. They presented a power point on the Steps for Applying for Service, starting in member accounts, forward to engineering, warehouse, construction, accounting and back to member accounts. Kyle Clevenger went over the Safety Investigation regarding Steve Bush and stated that the safety committee found no safety violations. Kyle requested everyone to be careful and watch over each other.

November 12, Bradley Cherry, Manager of Finance and Accounting, reviewed Cooperative.Com web page and showed the information that is available to look at on our Retirement, My Benefits, Annual Enrollment and My Insurance. Kyle Clevenger requested to have a safe day and watch over each other.

November 21, Kyle Clevenger, Manager of Operations, turned the meeting over to Tony Dempsey, for KAEC's monthly safety meeting. He went over the examples of noise and the decibels of different types of noise and different types of hearing protection. Kyle Clevenger requested everyone to be careful.

November 26, Carol Ann Fraley, President and CEO, was in charge of meeting. Justin Staniford read from our safety manual on General Office Safety 501.1 pages 127 and 128. Mike Martin requested everyone to be careful.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve seventy-eight (78) new memberships and retirement of one hundred five (105) existing memberships for November 2018.

BAD DEBT WRITE-OFFS

Motion was made by Director Bentley, seconded by Director Martin, and unanimously agreed to charge off \$3,645.51 worth of bad debts and turn them over for collection.

K-MART K-Mart paid one bill and we also applied their deposit. We are waiting to see what they will do this month. Legal Counsel said we could not take them. The first bankruptcy was approximately \$6,000 and we won't know on this one until after the 27<sup>th</sup>.

SANDY HOOK IGA The IGA bankruptcy in Elliott County. It was at least \$3,000.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve the President's business expense of \$42.00, Director's business expenses of \$12,628.90, and Attorney's business expense of \$11,088.22.

KEITH TWITTY, SAFETY We received a letter from Keith Twitty with Federated Rural Electric Insurance Exchange thanking us for the safety tour.

MARK STALLONS Mark Stallons has been elected to the Touchstone Energy Board.

KAEC DUES REFUND We received a check in the amount of \$6,287 from KAEC for dues refund based on the performance of KAEC in 2017.

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:

First Baptist Church – meals for needy families for the holiday	\$125
Chapter 8, KSP Post 8 Morehead – Shop With a Cop	\$200
Rudy Fest – 2019 Bluegrass Festival donation	\$300
Grayson Memory Day - sponsor	<u>\$100</u>
	\$725

Employees paid \$263 to help a young man sick with cancer in Elliott County see his dying wish to see an eagle. Director Martin also donated \$50.

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE Andrea McCleese will be attending unit B of 2018-2019 MIP Group III Enrollment January 21 – February 1, 2019.

ADDITIONAL BUSINESS There was no additional business.

BOARD MEETING DATE The next board meeting is Friday, January 25, 2019.

ADJOURN Chairman Dupuy adjourned the meeting at 11:47 a.m.

CATHY HINKLE Cathy Hinkle, State Representative for Carter and Lawrence Counties stopped by after the business meeting and was introduced by Director Kenneth Arrington.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

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W. Jeffrey Scott, Legal Counsel































President and CEO's Expenses

November 2018

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
12/3/18	175980	NRECA – renew subscription – RE Magazine	\$43.00
12/3/18	175980	NRECA – renew Personnel Practice Pointer	\$35.00
12/6/18	176022	Visa Expenses: *11/12 mtg. w/AFLAC rep – meal *11/16 GRECC Board Meeting – meal	 \$7.50 \$14.18
		Total Expenses	\$99.68

\*Prorated



**DIRECTORS & ATTORNEY EXPENSES****November-18****KENNETH ARRINGTON**

<b>Per Diem</b> - GRECC Bd. Mtg. (11/16)	\$ 343.60
<b>MISC</b> - Texas Roadhouse Gift Card	49.50
<b>VISA</b> -	-
<b>NRECA</b> - Renew Rural Elec Magazine	43.00
<b>Cash in Lieu of Insurance</b>	637.63
24 – Hr. Insurance	0.49
<b>TOTAL</b> -	<b>\$ 1,074.22</b>

**JIM BENTLEY**

<b>Per Diem</b> - GRECC Bd. Mtg. (11/16)	\$ 301.09
<b>MISC</b> - Texas Roadhouse Gift Card	49.50
<b>VISA</b> -	-
<b>NRECA</b> - Renew Rural Elec Magazine	43.00
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	1.08
<b>TOTAL</b>	<b>\$ 1,032.30</b>

**HAROLD DUPUY**

<b>Per Diem</b> - GRECC Bd. Mtg. (11/16)	\$ 332.70
<b>MISC</b> - Texas Roadhouse Gift Card	49.50
<b>VISA</b> - NRECA Winter School Registration & Hotel	1,447.35
<b>NRECA</b> - Renew Rural Elec Magazine	43.00
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	0.70
<b>TOTAL</b> -	<b>\$ 2,510.88</b>

**EDDIE MARTN**

<b>Per Diem</b> GRECC Bd. Mtg. (11/16)	\$ 308.72
<b>MISC</b> - Texas Roadhouse Gift Card	49.50
<b>VISA</b> - NRECA Winter School Registration & Hotel	1,447.35
Lunch GRECC Bd. Mtg. (11/16)	14.18
<b>NRECA</b> - Renew Rural Elec Magazine	43.00
<b>Cash in Lieu of Insurance</b>	637.63
24 – Hr. Insurance	1.08
<b>TOTAL</b> -	<b>\$ 2,501.46</b>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (11/16)	\$ 338.15
<b>MISC</b>	- Texas Roadhouse Gift Card	49.50
<b>VISA</b>	- NRECA Winter School Registration & Hotel	1,447.35
	Lunch GRECC Bd. Mtg. (11/16)	14.18
<b>NRECA</b>	- Renew Rural Elec Magazine	43.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 2,530.30</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (11/16)	\$ 322.89
<b>MISC</b>	- Texas Roadhouse Gift Card	49.50
<b>VISA</b>	- KAEC Bd. Mtg. (10/22)	182.19
	NRECA Winter School Registration & Hotel	1,447.35
<b>NRECA</b>	- Renew Rural Elec Magazine	43.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 2,683.64</u>

**JEFF SCOTT**

<b>Per Diem</b>	- KAEC Annual Mtg.	\$ 600.00
<b>MISC</b>	- Mileage (KAEC Annual Mtg.)	174.40
	Texas Roadhouse Gift Card	49.50
	Annual Membership - Elec Coop Bar Assoc.	290.00
<b>Excess Hrs</b>	- (8.5) hrs. R/W Easements	1,700.00
	(5.5) hrs. Misc.	1,100.00
	(6.75) hrs. Rate Case	1,350.00
<b>Out-of-Pocket</b>	- Record (52) R/W Easements	884.00
<b>NRECA</b>	- Renew Personnel Practice Pointer & Rural Elec Magazine	238.00
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 6,385.90</u>





















# Grayson Rural Electric Financial Report

January 25, 2019

## At A Glance....

November

<u>kWh Sales (11/01 - 11/30)</u>			<u>Margins</u>	
Month	7.96%		Month \$	(109,934.00)
YTD	6.43%		YTD \$	146,779.30
<u>kWh Purchases (11/01 - 11/30)</u>			<u>TIER</u>	
Month	9.30%		Month	0.01
YTD	7.10%		YTD	1.26
<u>Line Loss</u>				
Month	5.31%		<i>O tier .07</i> <i>yearly 1.07</i>	
YTD	5.33%			

Fuel Adjustment (0.008320)

ESC 7.93%

Degree Days 669

Heating Degree Days 668

Cooling Degree Days 1

### Notes:

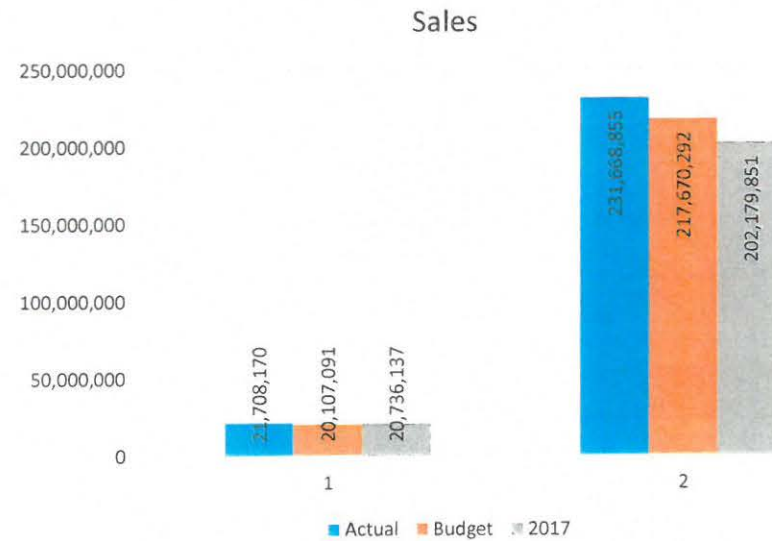
- Capital Credits
- Rate Case Update 2018-00272
- Federated - Drone



**Sales**

**November**

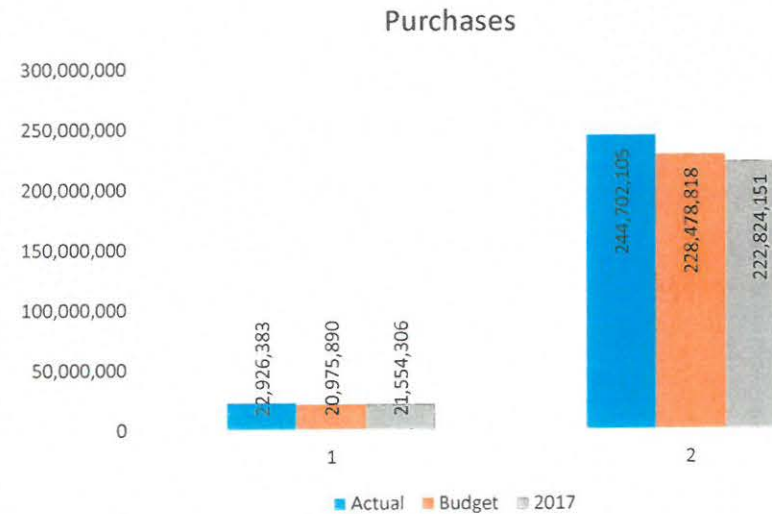
	2018	2017	2017-2015
Actual	21,708,170	20,736,137	21,314,696
Budget	20,107,091		
Difference	1,601,079 7.96%	972,033 4.69%	393,474 1.85%
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	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
Actual	231,668,855	202,179,851	214,990,999
Budget	217,670,292		
Difference	13,998,563	29,489,004	16,677,856
% Difference	6.43%	14.59%	7.76%



**Purchases**

**November**

	2018	2017	2017-2015
Actual	22,926,383	21,554,306	20,534,939
Budget	20,975,890		
Difference	1,950,493 9.30%	1,372,077 6.37%	2,391,444 11.65%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
Actual	244,702,105	222,824,151	233,175,837
Budget	228,478,818		
Difference	16,223,287	21,877,954	11,526,268
% Difference	7.10%	9.82%	4.94%





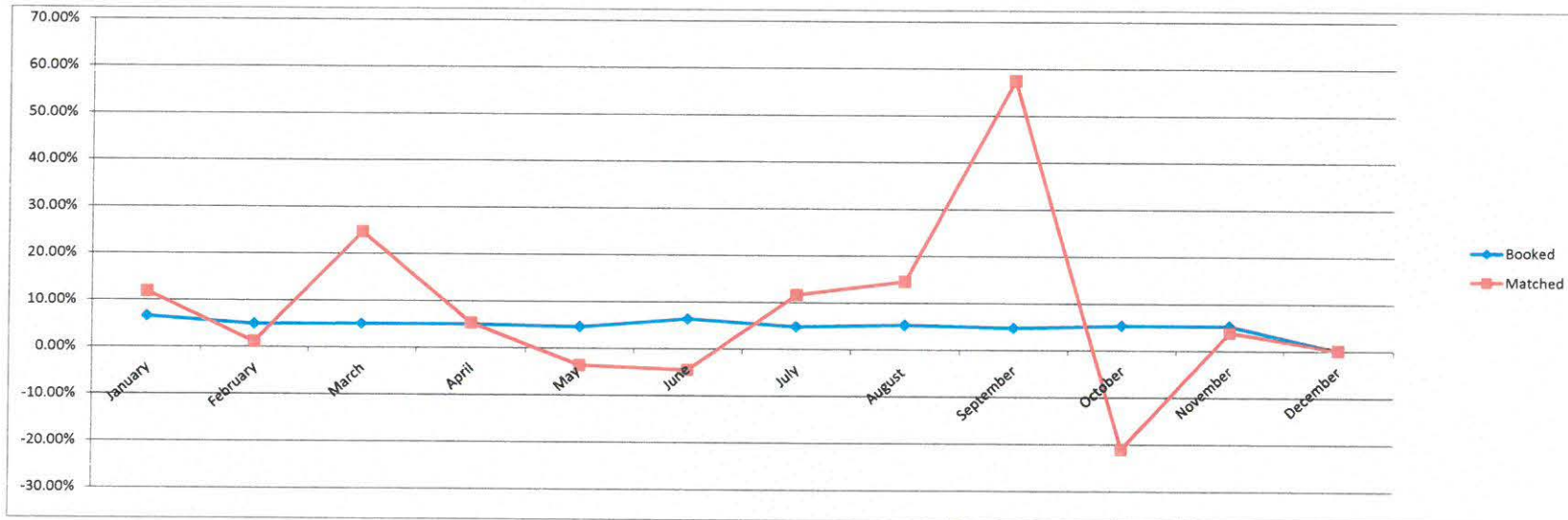


Monthly Operating Revenue & Expenses

	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018
Revenue	(2,447,561)	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)
Purchased Power	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651
Gross Margins	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)
Operations	107,779	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351	150,993	116,285	56,009
Maintenance	270,469	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084
Customer Service	89,263	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519
Informational Advertising	23,411	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064
Demonstration Advertising	1,729	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773	567	1,293	359
Admin & General	156,454	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065
Depreciation	293,465	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831
Regulatory	2,009	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559
Interest - LTD	83,895	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599	111,463
Interest - Deposits	664	593	1,408	1,396	1,392	1,391	1,445	1,423	1,414	1,414	1,414	1,414	1,414
Miscellaneous Expense	4,962	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869	801	531
Interest Income	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,465)	(2,465)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)
Non-Electric Revenue	(191)	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)
Capital Credits	-	-	-	(2,354)	(68,289)	-	-	-	-	-	(35,087)	(2,274)	-
Margins	68,841	(422,400)	(573,165)	(177,210)	(463,971)	128,463	394,460	424,432	(72,750)	(227,675)	98,238	212,516	109,934
* ( )s = positive margins													
Operating Expenses	1,034,099	943,985	1,092,938	1,043,244	1,124,476	1,128,823	1,201,963	1,099,689	1,109,213	1,106,436	1,186,054	1,148,321	1,086,915
Monthly TIER	0.18	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.18)	0.01
Revenue	(27,304,343)	(27,461,142)	(28,596,002)	(28,936,512)	(29,886,584)	(30,165,783)	(30,045,070)	(29,836,079)	(28,768,351)	(30,237,157)	(31,836,011)	(32,014,571)	(32,045,613)
Purchased Power	17,085,873	17,151,603	17,616,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,164,663	18,361,224	18,363,091	18,388,794
Gross Margins	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,738)	(11,383,207)	(11,575,115)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)
Operations	1,312,520	1,299,965	1,328,118	1,347,802	1,359,607	1,340,835	1,371,826	1,387,164	1,368,355	1,382,551	1,441,631	1,431,767	1,379,997
Maintenance	3,439,976	3,424,805	3,382,188	3,372,536	3,379,558	3,372,897	3,360,487	3,350,363	3,330,357	3,375,194	3,463,785	3,485,240	3,522,854
Customer Service	1,012,461	1,070,976	1,078,542	1,081,421	1,083,992	1,095,572	1,105,770	1,104,811	1,108,900	1,123,060	1,126,096	1,131,052	1,156,308
Informational Advertising	259,840	260,150	249,434	251,272	249,512	241,598	230,186	229,033	225,044	224,265	212,260	208,032	201,686
Demonstration Advertising	21,026	22,103	21,786	22,039	21,526	21,469	21,415	21,626	21,189	21,089	20,166	19,771	18,400
Admin & General	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,990	2,069,636	2,105,768	2,117,378
Depreciation	3,464,381	3,477,092	3,489,387	3,501,849	3,513,712	3,524,341	3,534,629	3,544,421	3,555,232	3,569,711	3,576,075	3,580,618	3,585,984
Regulatory	42,410	41,074	41,108	41,142	41,176	41,210	41,244	38,781	38,318	36,855	35,302	33,929	34,478
Interest - LTD	957,790	980,167	982,553	996,207	1,010,095	1,041,614	1,056,893	1,071,890	1,081,503	1,094,698	1,107,891	1,122,504	1,150,073
Interest - Deposits	7,717	7,941	8,683	9,414	10,143	10,869	11,586	12,300	13,115	13,899	14,612	21,379	30,146
Miscellaneous Expense	33,456	35,148	35,746	39,893	48,372	63,634	58,349	59,248	63,865	73,842	81,631	80,183	75,752
Interest Income	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)	(29,593)	(30,555)
Non-Electric Revenue	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)	(41,298)	(46,720)
Capital Credits	(87,795)	(87,795)	(87,795)	(87,795)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)
Margins	2,094,417	2,048,484	1,381,929	1,277,615	411,413	366,286	782,405	1,308,690	1,112,141	677,991	(516,118)	(610,132)	(509,039)
Operating Expense	12,530,434	12,574,553	12,574,792	12,825,118	12,673,526	12,747,102	12,894,904	12,901,189	12,895,092	12,992,115	13,139,176	13,220,243	13,273,058
Rolling 12 Month TIER	(1.19)	(1.09)	(0.41)	(0.26)	0.59	0.85	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49



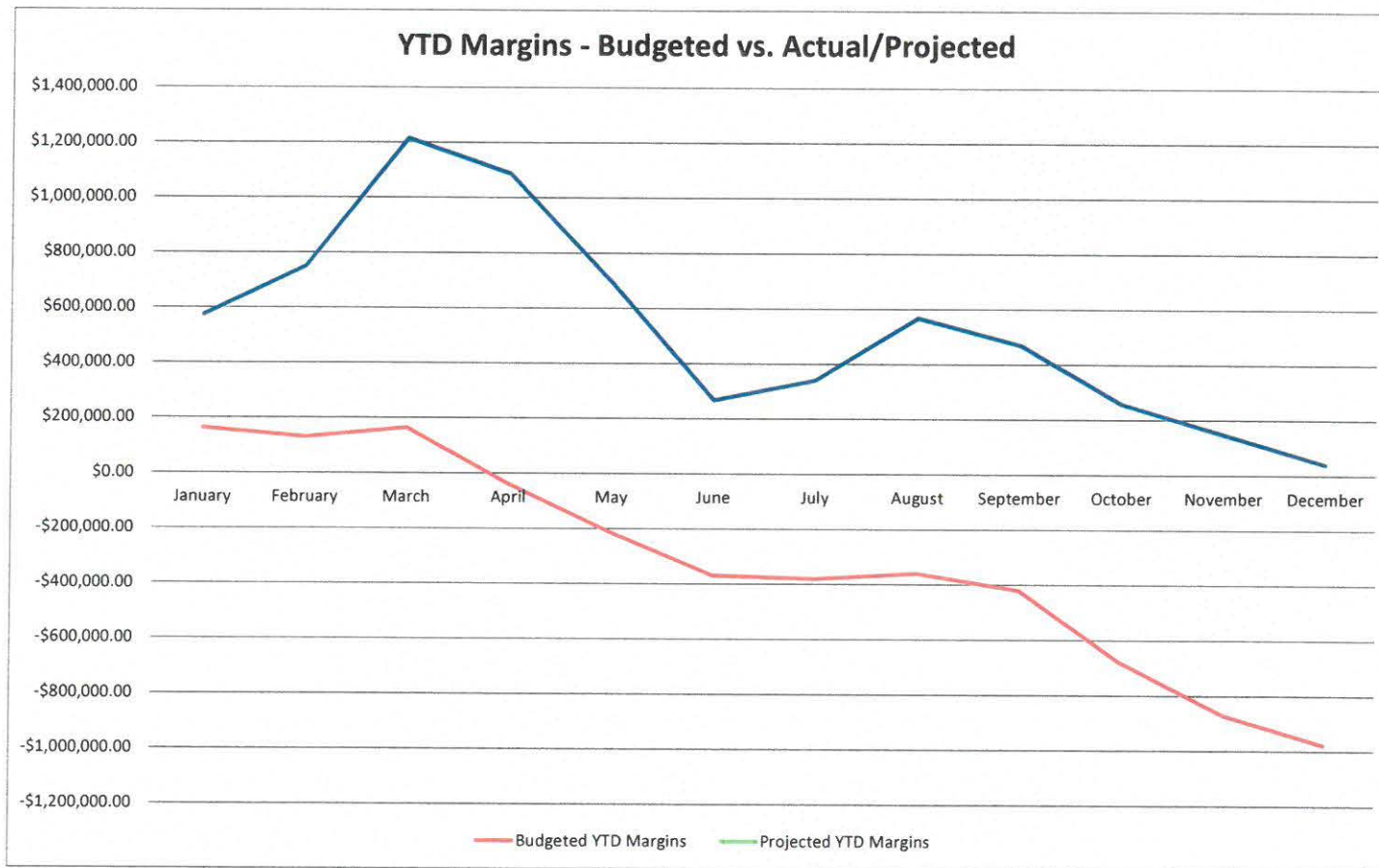
2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00		
<b>2017</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00	20,538,661.00	20,681,489.00	17,894,915.00	7,502,112.00	22,154,070.00	20,736,137.00		
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00		244,702,105.00
<b>2017</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00	17,588,540.00	19,637,908.00	23,382,748.00	20,921,575.00	17,591,772.00	18,280,898.00	21,554,306.00		222,824,152.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	0.00	13,033,250.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	2,701,259.00	3,026,660.00	10,089,660.00	-3,873,172.00	818,169.00	0.00	20,644,301.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	#DIV/0!	5.33%
<b>2017</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	-21.19%	3.80%	#DIV/0!	8.44%







	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$227,575.48	\$20,126.23	\$207,449.25	\$567,467.43	-\$360,986.16	\$928,453.59	\$567,467.43
September	-\$98,238.37	-\$60,686.77	-\$37,551.60	\$469,229.06	-\$421,672.93	\$890,901.99	\$469,229.06
October	-\$212,515.76	-\$260,909.77	\$48,394.01	\$256,713.30	-\$682,582.70	\$939,296.00	\$256,713.30
November	-\$109,934.00	-\$189,227.77	\$79,293.77	\$146,779.30	-\$871,810.47	\$1,018,589.77	\$146,779.30 ✓
December	\$0.00	-\$107,366.41			-\$979,176.88		\$39,412.89





2018				2017			
November Bill				November Bill			
	Average	HDD	CDD	HDD	CDD	Average	
1-Nov	66	0	1	14	0	51	1-Nov
2-Nov	52	13	0	0	0	65	2-Nov
3-Nov	48	17	0	3	0	62	3-Nov
4-Nov	49	16	0	5	0	60	4-Nov
5-Nov	57	8	0	0	3	68	5-Nov
6-Nov	61	4	0	3	0	62	6-Nov
7-Nov	47	18	0	18	0	47	7-Nov
8-Nov	40	25	0	21	0	44	8-Nov
9-Nov	41	24	0	16	0	49	9-Nov
10-Nov	32	33	0	28	0	37	10-Nov
11-Nov	34	31	0	30	0	35	11-Nov
12-Nov	36	29	0	19	0	46	12-Nov
13-Nov	37	28	0	19	0	46	13-Nov
14-Nov	33	32	0	23	0	42	14-Nov
15-Nov	37	28	0	24	0	41	15-Nov
16-Nov	39	26	0	21	0	44	16-Nov
17-Nov	43	22	0	23	0	42	17-Nov
18-Nov	46	19	0	10	0	55	18-Nov
19-Nov	49	16	0	26	0	39	19-Nov
20-Nov	40	25	0	27	0	38	20-Nov
21-Nov	37	28	0	19	0	46	21-Nov
22-Nov	40	25	0	26	0	39	22-Nov
23-Nov	42	23	0	31	0	34	23-Nov
24-Nov	48	17	0	23	0	42	24-Nov
25-Nov	50	15	0	11	0	54	25-Nov
26-Nov	43	22	0	24	0	41	26-Nov
27-Nov	28	37	0	21	0	44	27-Nov
28-Nov	25	40	0	16	0	49	28-Nov
29-Nov	34	31	0	13	0	52	29-Nov
30-Nov	49	16	0	13	0	52	30-Nov
	42.8	668	1	527	3	47.5	
		669		530			

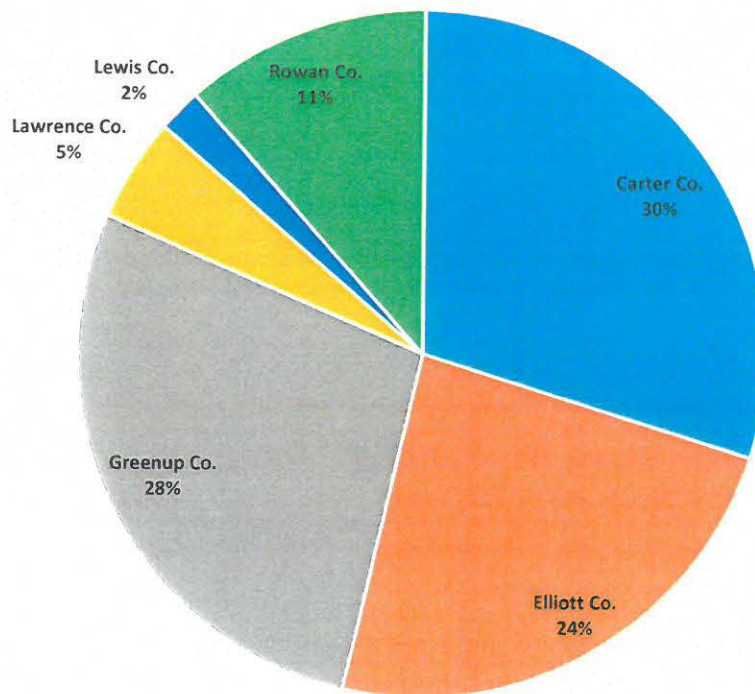


**Bills by County**

	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17
Carter Co.	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585	4,618
Elliott Co.	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646	3,671
Greenup Co.	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286	4,339
Lawrence Co.	747	761	770	761	761	763	761	766	768	768	774	780	785
Lewis Co.	313	318	323	321	314	315	311	316	310	317	313	316	312
Rowan Co.	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777	1,790
	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390	15,515

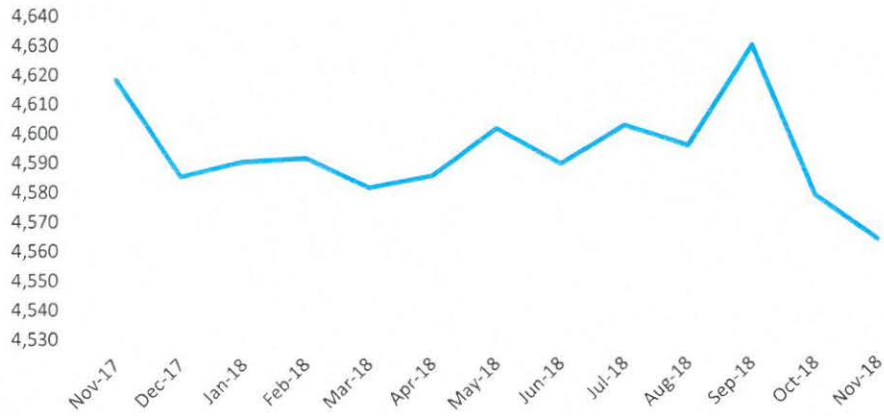
**# of Bills  
November 2018**

*less  
217 from 2017*

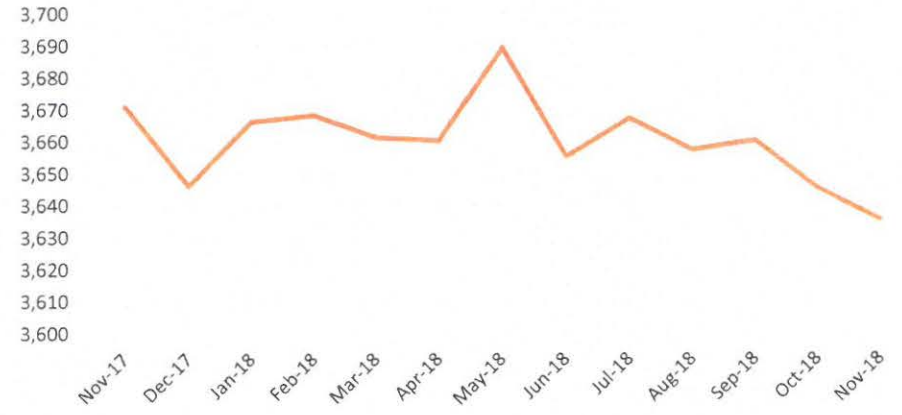




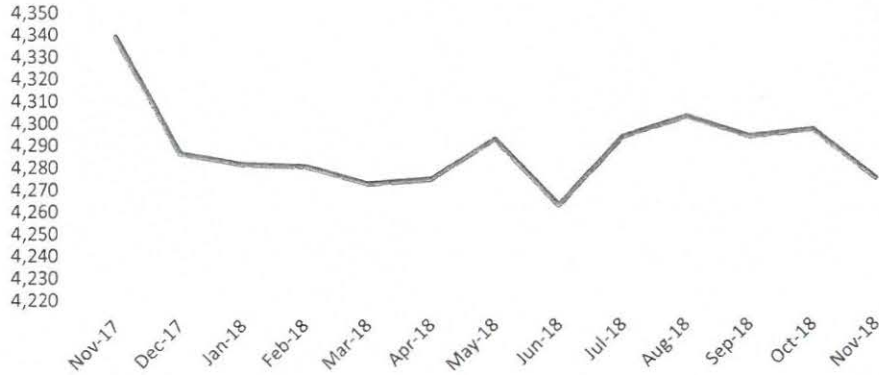
Carter Co.



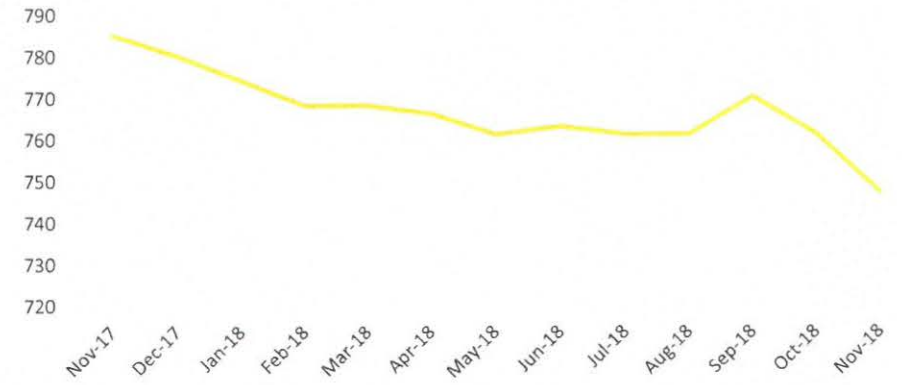
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







**NOVEMBER 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		19		512.06	(512.06)	
100	NEW LINE EXTENSIONS		21		45,314.19	45,314.19	2,157.82
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		1		2,002.87	2,002.87	2,002.87
603	SECTIONALIZERS		5		18,374.18	18,374.18	
604	REGULATORS						
606	POLES		27	POLES	136,808.60	136,808.60	5,066.99
701	SECURITY LIGHTS		30		22,817.24	22,817.24	760.57
1600	MINOR PROJECTS		6		11,916.90	11,916.90	
	TOTAL		106		237,746.04	236,721.92	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	29		29,253.49	29,253.49	1,008.74
	METERS	370.00	960		180,902.40	180,902.40	188.44
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	TOTAL		989		210,155.89	210,155.89	
	MATERIAL				29,224.11		
	MATERIAL OH				45,957.87		
	LABOR				24,007.01		
	LABOR OH				57,823.54		



## REVENUE SUMMARY NOVEMBER 2018

	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 376,461.92	\$ (36,228.27)	\$ 5,485.81	\$ 13.75	\$ 2,773.67	\$ 27,299.76	\$ 375,806.64	\$ 9,056.25	\$ -
Class 11 (Non-Electric House)	\$ 330,475.09	\$ (32,048.73)	\$ 10,308.08	\$ 24.75	\$ 1,216.96	\$ 24,403.73	\$ 334,379.88	\$ 6,464.16	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 74,051.36	\$ (6,926.19)	\$ 1,450.19	\$ 5.50	\$ 680.98	\$ 5,415.04	\$ 74,676.88	\$ 1,667.76	\$ -
Class 14 (All Electric House)	\$ 964,236.53	\$ (96,760.90)	\$ 18,376.78	\$ 71.50	\$ 3,098.45	\$ 70,019.53	\$ 959,041.89	\$ 16,845.85	\$ 26,411.11
Class 61 (Security Light)	\$ -	\$ (121.10)	\$ 1,366.17	\$ 2.75	\$ -	\$ 98.26	\$ 1,346.08	\$ 13.14	\$ 1,346.08
<b>44010 TOTALS</b>	<b>\$ 1,745,224.90</b>	<b>\$ (172,085.19)</b>	<b>\$ 36,987.03</b>	<b>\$ 118.25</b>	<b>\$ 7,770.06</b>	<b>\$ 127,236.32</b>	<b>\$ 1,745,251.37</b>	<b>\$ 34,047.16</b>	<b>\$ 27,768.25</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 19,605.40	\$ (1,159.66)	\$ 441.12	\$ -	\$ -	\$ 1,494.03	\$ 20,380.89	\$ 300.94	\$ -
Class 15 (Camps)	\$ 21,257.48	\$ (1,262.34)	\$ 322.52	\$ -	\$ 89.66	\$ 1,606.25	\$ 22,013.57	\$ 642.20	\$ -
Class 16 (Barns)	\$ 19,548.72	\$ (901.63)	\$ 712.44	\$ -	\$ 31.33	\$ 1,530.92	\$ 20,921.78	\$ 388.55	\$ 3,000.00
Class 17 (Garages, Out-buildings)	\$ 42,607.54	\$ (2,207.75)	\$ 1,074.56	\$ -	\$ 62.75	\$ 3,280.13	\$ 44,817.23	\$ 614.13	\$ 144,000.00
Class 18 (Meters on Poles)	\$ 6,852.68	\$ (360.89)	\$ 213.50	\$ -	\$ 20.00	\$ 530.34	\$ 7,255.63	\$ 139.52	\$ 35,000.00
Class 19 (Un-Inhabitable Houses)	\$ 875.28	\$ (40.51)	\$ 39.09	\$ -	\$ -	\$ 69.10	\$ 942.96	\$ 6.06	\$ -
Class 20 (Miscellaneous)	\$ 1,608.69	\$ (78.37)	\$ 57.88	\$ -	\$ 16.00	\$ 125.40	\$ 1,729.60	\$ 14.26	\$ -
<b>44040 TOTALS</b>	<b>\$ 112,355.79</b>	<b>\$ (6,011.15)</b>	<b>\$ 2,861.11</b>	<b>\$ -</b>	<b>\$ 219.74</b>	<b>\$ 8,636.17</b>	<b>\$ 118,061.66</b>	<b>\$ 2,105.66</b>	<b>\$ 183,000.00</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 154,555.15	\$ (14,975.34)	\$ 3,432.20	\$ 3.94	\$ -	\$ 11,312.81	\$ 154,328.76	\$ 2,617.30	\$ 6,688.00
Class 26 (Security Light)	\$ -	\$ (20.66)	\$ 293.40	\$ -	\$ -	\$ 21.56	\$ 294.30	\$ 7.22	\$ 14,000.00
Class 28 (Churches)	\$ 20,092.30	\$ (1,931.43)	\$ 1,589.51	\$ -	\$ -	\$ 1,562.27	\$ 21,312.65	\$ 91.52	\$ 381,000.00
<b>44210 TOTALS</b>	<b>\$ 174,647.45</b>	<b>\$ (16,927.43)</b>	<b>\$ 5,315.11</b>	<b>\$ 3.94</b>	<b>\$ -</b>	<b>\$ 12,896.64</b>	<b>\$ 175,935.71</b>	<b>\$ 2,716.04</b>	<b>\$ 7,082,000.00</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 189,106.25	\$ (23,429.13)	\$ 950.91	\$ -	\$ -	\$ 13,180.29	\$ 179,808.32	\$ 4,504.19	\$ 5,977,000.00
Class 47 (Pumping Station)	\$ 67.87	\$ (2.37)	\$ -	\$ -	\$ -	\$ 5.18	\$ 70.68	\$ -	\$ 4,000.00
Class 79 (All Electric School)	\$ 38,233.88	\$ (4,702.39)	\$ 476.07	\$ -	\$ -	\$ 2,690.02	\$ 36,697.58	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 227,408.00</b>	<b>\$ (28,133.89)</b>	<b>\$ 1,426.98</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,875.49</b>	<b>\$ 216,576.58</b>	<b>\$ 4,504.19</b>	<b>\$ 5,981,000.00</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison)	\$ 146,239.84	\$ (28,984.99)	\$ 28.94	\$ -	\$ -	\$ 9,277.15	\$ 126,560.94	\$ -	\$ 4,922,000.00
<b>44230 TOTALS</b>	<b>\$ 146,239.84</b>	<b>\$ (28,984.99)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,277.15</b>	<b>\$ 126,560.94</b>	<b>\$ -</b>	<b>\$ 4,922,000.00</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (44.99)	\$ 598.88	\$ -	\$ -	\$ 43.81	\$ 597.70	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (44.99)</b>	<b>\$ 598.88</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43.81</b>	<b>\$ 597.70</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,405,875.98</b>	<b>\$ (252,187.64)</b>	<b>\$ 47,218.05</b>	<b>\$ 122.19</b>	<b>\$ 7,989.80</b>	<b>\$ 173,965.58</b>	<b>\$ 2,382,983.96</b>	<b>\$ 43,373.05</b>	<b>\$ 18,196,900.00</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,498,159.66</b>	







GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On February 18, 2019, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Waiver of Notice
2. Invocation
3. Approval of the Minutes From the January 2019 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Ken Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for December 2018 – Bradley Cherry
8. Consideration and Approval of Federated Business Insurance
9. Rate Case Update
10. Cooperative Legal Matters
11. Manager of Technical Services Report – Brian Poling
12. Manager of Marketing & Member Services Report – Kim Bush
13. Manager of Operations and Safety Reports – Kyle Clevenger
14. Approval of Fifty-Eight (58) New Memberships and Retirement of Eighty-One (81) Existing Memberships for February 2019
15. Consider Approval of Accounts to be Charged Off to Reserve \$2,096.40
16. Consider Approval of President's Business Expense in the Amount of \$17.20, Director's Business Expense in the Amount of \$25,648.88 and Attorney's Business Expense in the Amount of \$491.02
17. Consider Community Service and/or Donations
18. Attendance at Meetings – Directors and Employees
19. Confirm Date for the March Board Meeting – March 22, 2019
20. Additional Business
21. Adjourn





On January 25, 2019 at 9:15a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; Brandon Music for W. Jeffrey Scott Law Firm, Priscilla Sparks, Executive Assistant and Bradley Cherry, Chief Financial Officer.

At 9:16 a.m. an Executive Session was called by Chairman Dupuy. The Executive Session concluded at 9:45 a.m.

INVOCATION	Director Dupuy gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the minutes from the December 2018 Board Meeting for informational purposes only.
PRESIDENT'S REPORT	President Fraley reported on the following:
PEGGY WELLS	President Fraley reported that Peggy Wells has decided to retire March 1, 2019. We will have a retirement lunch on that day.
AMBER WEDDINGTON	Amber Weddington has been hired January 28, 2019 and will be training in the Member Services Department. She is working closely with Sherry Conley.
METER THEFT	<p>We have discovered three meter thefts this week. One was on a Rattlesnake Ridge pumping station on Four Mile and involved a cleaning crew for HUD, Purdy Enterprises. That meter was stolen.</p> <p>One was located on Blueberry Ridge that Chris Mosier discovered on a service call to the neighbor. The meter was by-passed and continued to report to the office.</p> <p>Richard Easton found a KU meter on our service, in his territory. The people living there "found" our meter in the closet. KU was able to tell us how many kilowatts were on their meter so that we could bill for them.</p>
TRIPLE J FARMS	We had a bankruptcy filing on Triple J Farms, dba Gilliam's IGA. We do not have accounts in these names and will not recognize the bankruptcy. We will continue to try to collect the off-service bill.
SCOTT MCGUIRE	Scott McGuire has completed requirements for First Class Meterman and Justin Staniford will complete the apprenticeship program 4 <sup>th</sup> year at the end of February. Caitlin Hutchinson Sexton will be promoted in her purchasing position.
LARGE POWER CONTRACT	President Fraley is sending letters for additional deposits or letters of credit on Small Commercial accounts with bad credit and for all Large Power Accounts. Some are sizeable.
RIGHT-OF-WAY EASEMENTS	Jonathan McCoy applied for service on property owned by him and his brother, Lonnie. An affidavit of descent was prepared by Legal Counsel Scott on this property and Lonnie still would not sign. We reminded both of

them of his parent's capital credits and Lonnie decided to sign the right-of-way easement.

- SAFETY DAY Employees will receive a safety day pay in February for no lost time accidents in 2018.
- RONNIE JAMES Ronnie James talked to Director Martin about an issue regarding relocating some poles on his farm. Ronnie James made this request some time ago and was told he would have to pay for the relocation, if we could get right of way permission from his neighbors. He wants them moved to neighbor or ditch line. The poles are sound and we have no reason to move them. He would have to pay \$26,000 up front as an Advance for Construction to have this done and get right of way easements. We have been unable to get them.
- Mr. James refuses to pay and also refuses to sign a right of way easement for his own property.
- K-MART Director Bentley asked about K-Mart. President Fraley said they paid December 1, 2018.
- KAEC DIRECTOR'S REPORT Director Whitt reported the following on the KAEC Board Meeting:
- Cyber security was discussed.  
There will be a workshop on February 26, to discuss stream lined rate cases. The Legislative Breakfast will be the 7<sup>th</sup> of February in Frankfort.  
Rocky Adkins spoke on his plans for the Commonwealth as he runs for Governor. He did an excellent job speaking to the group.  
KAEC is looking at reducing their meetings to six per year. They would like to use teleconferencing for committee meetings.  
President Fraley has invited Representative Adkins and his running mate to stop by the office to meet everyone whenever they can.
- EKPC DIRECTOR Director Arrington reported he, Director Whitt and Director Dupuy attended the CFC Workshop at KAEC on January 23-24, 2019. Sheldon Peterson was recognized for assisting with the Cushion of Credit issue
- FINANCIAL & STATISTICAL REPORT FOR NOVEMBER 2018 Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for November 2018:
- SALES AND PURCHASES Kilowatt hour sales for the month of November were 7.96% over budget. Purchases for the month of November were 9.30% over budget. Line loss for the last twelve months was 5.33%. Year-to-date margins were \$146,779 compared to the budgeted amount of (\$871,810).
- T.I.E.R. November 2018's monthly T.I.E.R. was 0.01 with the rolling 12 month T.I.E.R. at 1.49.
- FUEL ADJUSTMENT The fuel adjustment for November was (0.008320).
- ESC The environmental surcharge was 7.93%.
- DEGREE DAYS There were 669 degree days, 1 cooling degree day and 668 heating degree days.

Sales up 4.7% compared to 2017. Up 3% to 3 year average.

President Fraley asked if CFC and CoBank have a T.I.E.R. requirement. Bradley said CFC and CoBank have their own requirements, similar to RUS.

Purchases and sales are both up for 2018.  
Bradley went over the financial report in detail.

Our TIER should be sufficient if December has normal weather. We are under 6% on line loss and doing well. Weather data was a little colder than 2017.

#### BILLS

We mailed 15,297 bills for the month of January, a decrease of eighty-seven since October. Compared to 2017, we have 217 fewer bills. Carter County has dropped off quite a bit since 2018.

Bradley reviewed Form 219. We have purchased 960 Radio Frequency meters at \$188.44 per meter.

#### CAPITAL CREDITS

We paid 31 Deceased Estate Capital Credits totaling \$25,977.80. Year to date paid was 142 applicants totaling \$119,222.60. There are 22 outstanding applications (4 received recently and 18 incomplete), as of December 31, 2018.

Director Whitt asked if businesses were entitled to capital credits. Bradley explained that a corporation does not "die."

#### FEDERATED INSURANCE

Tony Hermesch visited with us recently. Federated presented a proposal to renew our insurance coverage. We will need to add drone liability. He suggested that we not fly the new drone until the drones were added to the policy. Cost per year for coverage was \$1,000.

Reduction in the number of directors covered by our insurance for business purposes resulted in a reduction of \$1,368. More information was requested on Capital credit insurance.

#### APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR NOVEMBER 2018

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for November 2018 as presented, for informational purposes only.

#### RATE CASE

Last week we received a 4<sup>th</sup> request for information from the PSC regarding our rate case. Those questions were answered and the replies were delivered to the PSC and the Attorney General by President Fraley on January 22. We have a hearing set for February 19<sup>th</sup>.

#### RUS WORK ORDERS

Motion was made by Director Whitt, seconded by Director Trent and unanimously agreed to approve the following 219 RUS Work Orders for the months of July, August and September 2018 in the amount of \$1,299,741.75:

July 2018	Work Order No. 1296	\$843,114.12
	Work Order No. 1297	\$10,168.65
August 2018	Work Order No. 1298	\$257,653.76

	Work Order No. 1299	\$2,783.14
September 2018	Work Order No. 1300	\$185,151.90
	Work Order No. 1301	\$870.18
	Total	\$1,299,741.75

LEGAL COUNSEL

Legal Counsel Scott reported the following:

TRIPLE J FARMS

President Fraley informed Mr. Scott that the Cooperative does not have accounts in the names listed on the Triple J Farm bankruptcy. They filed as Triple J Farms, dba Gilliam IGA. If power was terminated before November 29, 2018 the trustee in bankruptcy would have to apply for membership. Special counsel to the Bankruptcy Court Steven Barnes, called about electric service for an inventory and auction. She will ask for \$1,000 deposit.

RIGHT-OF WAY EASEMENTS

Mr. Scott reported that he became aware that we were filing our own Right of Way Easements on January 11<sup>th</sup>. He told the Board that it was illegal and unauthorized practice of law for us to file our own easements. Mike Johnston, Carter County Clerk and Pat Heineman, Greenup County Clerk, said this is a normal practice. Mr. Scott came to President Fraley's office to confront her about the filing of Right-of-Way easements. He alleged that she told him the Board said not to tell him about the change in filing. President Fraley took issue with this statement and said that she did not him tell that. He reminded the Board of a letter he sent regarding this matter in December, with a request to put it on the December agenda.

Legal Counsel asked what the Board was going to do about the easement. Chairman Dupuy stated they would research the issue further and continue as we have been. Legal Counsel Scott said to keep in mind that this issue is not a problem until you run into a problem.

Director Arrington asked if Mr. Scott would contest it and he replied that he would not. The discussion continued.

Bradley Cherry asked to clarify his billing statement. Director Martin asked Legal Counsel for the totals over \$2,000. Four months that went over in 2018 were: May, \$2400; July, \$2150; September, \$5600; and November, \$3400.

He disputed that he was under contract until January 31, 2019. President Fraley showed him a copy of his last contract which clearly showed January 31, 2019. Legal Scott asked whom to speak to about the medical insurance he believes he is entitled to until he dies. President Fraley told him that would be Bradley Cherry.

Chairman Dupuy informed him that his contract was ready to be signed for a one year extension. Mr. Scott refused and left the Board Room.

Director Martin made a motion to go into executive session 11:36 a.m.  
Director Martin made a motion to come out of executive session 11:54 a.m.



MANAGER OF  
TECHNICAL SERVICES

Brian Poling, Manager of Technical Services reported on the following:

We have been diligently working on RF Router site surveys. As of this week, we have been to every site. One hundred locations were sent back for a second analysis because we felt it was requiring too many transformers. The engineer that designed the system was out of the country and we asked to be assigned a new engineer. She is located in Atlanta and is working on the locations we sent back.

One of our Collector installations has been shipped so we hope to get started installing field equipment in the next few weeks.

Robert used the drone to assist in our repair of a line over a river. Linemen said it was a huge help and they weren't even sure how they would have gotten it in the air if the drone had not been used.

We are also working with AT&T to have a new fiber optic line run for our internet. Currently, the AT&T line that feeds our office is leased from Windstream and has many reliability issues. The new line will also reduce our monthly bill to AT&T.

Andrea had installed a new credit card reader at the front counter. The new reader allows chipped card to be read and brings us up to PCI compliance. The card information is transmitted directly to SEDC and entered on our network. This is the reason we can no longer take credit cards over the phone.

Andrea is at her second two weeks of training through the NRECA's Management Internship Program in Madison Wisconsin. She will have one more two week stay at the end of April.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services reported on the following.

PREPAY

786 Pre Pay active accounts and 15 inactive accounts. 4,000 payments were made in 30 days with an average of \$41.52 per payment.

Thirteen percent of the total amount charged off for collections has been recovered. That total will increase after capital credits are applied in March in the amount of \$20,714.

Tina is on an energy audit today. She has had requests for 4 energy audits this month and one Button-Up Project.

Scholarship applications must be in the office by February 7<sup>th</sup>.

EXECUTIVE SESSION

An Executive Session was called for by Director Whitt at 12:16 p.m. Session ended at 12:22 p.m.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

EMPLOYEE/LOST TIME

There were no lost time accidents to report this month.

ACCIDENT

SAFETY REPORT

The following safety meetings were held during December:

December 3, Nancy Madden showed a video on Blood Borne Pathogens and asked questions on our Blood Borne Pathogen Exposure Control Plan for Collateral Jobs. She passed out the 2019 On-Line safety courses to all employees. Mike Martin reminded everyone to be careful and watch out after each other.

December 12, Andrea McCleese, Technical Services Supervisor read from the Safety Manual on 507.21 Metering, pages 201-202. A power point was shown on Relentless Pursuit of Better explaining the Seven Cooperative Principles. Kyle Clevenger asked everyone to be careful pulling a meter base, because people are by-passing the meter. He reminded everyone to work safe and return home safely to their families.

December 19, Brian Poling, Manager of Technical Services, turned the meeting over to Tony Dempsey for the monthly KAEC safety meeting. Tony presented a power point on Spill Response Training and went over the Spill Prevention Control Countermeasures and the environmental regulations to prevent oil from spreading to different areas. Certificates of Completion were given to Brian Poling and Joe Sargent for EKPC/Member System Engineering, Operations, and Reliability training. Andrea McCleese and Peggy Skaggs completed an RF Command Center introduction course. Kyle Clevenger asked everyone to be careful.

December 26, Priscilla Sparks, Executive Assistant, read from GRECC's Emergency Response Plan, pages 2 thru 7. Kyle Clevenger read two safety investigations: 1) Mike Blevins hitting a deer and 2) Priscilla Sparks slipped and fell out of the shower/tub while attending a statewide safety meeting. The safety committee met and found no safety violations. Kyle Clevenger requested everyone to be careful.

December 31, Robert Brown, Geographical Information System Technician, went over the new Field Pro and showed different fields that can be used to assist the men with locations for our members. Kyle Clevenger requested everyone to change out gloves and have a safe day, week and New Year.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

JOBS BUILT

Construction built one hundred six (106) new work orders (including 21 services added and 11 services retired) for the month of December and worked zero (0) hours of overtime.

DELINQUENT NOTICES

There were 146 delinquents for January. Seventy (70) cards were issued to be disconnected. Seven accounts were disconnected by remote meter on January 9, cycle 1. Sixty (60) cards were issued and 9 accounts were disconnected by remote meter on January 15 for cycle 2. Field personnel disconnected a total of 18 meters and a total of 11 meters were reconnected by field personnel and remote.

**OVERTIME HOURS** The Maintenance Department worked one hundred sixty-six (166) hours of overtime; Construction worked one hundred forty-nine (149) work order overtime hours. The Engineering Department worked seven (7) hours of overtime.

**CONTRACT CREWS** We have one (1) Pike crew working. Terry Gilbert is working coordination and pole changes in various counties.

**RIGHT-OF-WAY CREWS** We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 692 trees, cut 929 trees, cut 45,570 feet of brush/line and sprayed 12 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis and Greenup Counties
- 1 cutting crew in Rowan County
- 2 cutting crews in Lawrence and Elliott County
- 1 bucket truck crew in Carter, Lewis and Greenup Counties
- 1 bucket truck crew in Rowan County
- 1 bucket truck crew in Elliott County
- 1 tractor crew in Carter County
- 2 spray crews in Elliott County

Smith Tree Service has a circuit crew on ST RT 486, Elliott County

**ENGINEERING REPORT** The Engineering Department released one hundred twenty-nine (129) prints consisting of 2,118 feet of primary line and 1,210 feet of service wire.

They currently have two (2) new services to be staked and two (2) to be drawn. There are eight (8) miscellaneous jobs to be staked or drawn, largely due to the substation readings.

Director Bentley and rest of the Board congratulated Kyle and Mike for no loss time award. Chairman Dupuy said the right of way looks good.

**APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS** Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve fifty-two (52) new memberships and retirement of sixty-eight (68) existing memberships for November 2018.

**BAD DEBT WRITE-OFFS** Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to charge off \$2,717.77 worth of bad debts and turn them over for collection.

**APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES** Motion was made by Director Martin seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$99.68, Director's business expenses of \$12,332.80, and Attorney's business expense of \$6,385.90.

**CFC** CFC sent a patronage refund check in the amount of \$5238.00.

**ENVISION** Envision sent a patronage refund check for \$236.

DONATIONS

We received a thank you from Rowan County Christmas; Rowan County High School Project Prom 2019; and Lewis County Educational Foundation.

President Fraley presented to the Board for their consideration the following donation requests:

Greenup County Varsity Cheerleader – sponsor	\$100
Rowan County Senior High School – senior prom donation	\$50
Stan Spence Little League- spring season donation	\$100
East Carter High School Archery Team – sponsorship	\$100
Rowan County Quilt Show – donation	\$150
Rowan County Middle School – 8 <sup>th</sup> grade Washington DC trip	\$200

President Fraley wrote a letter of support for the MCTC Lineman’s program.

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

The following upcoming meetings were presented for attendance this month.

CFC – New York, July 3

BOARD MEETING DATE

The February Board Meeting will be held on Friday, February 22<sup>nd</sup> at 9:00 a.m.

ADDITIONAL BUSINESS

There was no additional business to bring before the Board of Directors.

ADJOURN

Chairman Dupuy adjourned the meeting at 12:41 p.m.

EXECUTIVE SESSION

Executive Session was called at 12:41 p.m. Executive session ended at 1:02 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

































## President & CEO's Expenses

December-18

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
1/7/2019	176236	VISA	
		Breakfast Planning & Review (12/10)	\$ 4.74
		Working Lunch Billing (12/17)	\$ 12.46
		Total Expenses	\$ 17.20





**DIRECTORS & ATTORNEY EXPENSES**

**December-18**

**KENNETH ARRINGTON**

<b>Per Diem</b>	- KAEC Annual & Wire Mtg (11/18-20); GRECC Bd. Mtg. (12/20)	\$ 1,472.50
<b>MISC</b>	- Walmart Gift Card	25.00
<b>VISA</b>	- KAEC Annual & Wire Mtg.	433.74
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	2.58
<b>KAEC</b>	- KAEC Annual & Wire Mtg.s	271.06
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 2,843.00</b>

**JIM BENTLEY**

<b>Per Diem</b>	- GRECC Bd. Mtg. (12/20)	\$ 301.09
<b>MISC</b>	- Walmart Gift Card	25.00
<b>VISA</b>	-	-
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	2.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 967.38</b>

**HAROLD DUPUY**

<b>Per Diem</b>	- KAEC Annual & Wire Mtg. (11/18-20); NRECA Director's Winter School (11/29-12/3); GRECC Planning & Review Mtg. (12/10); GRECC Bd. Mtg. (12/20)	\$ 3,686.30
<b>MISC</b>	- Walmart Gift Card	25.00
<b>VISA</b>	- NRECA Annual Mtg. Registration & Entertainment Tickets	705.00
	Lunch GRECC Planning & Review Mtg.	4.74
	KAEC Annual & Wire Mtg.	458.20
	NRECA Director's Winter School	922.39
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	2.58
<b>KAEC</b>	- KAEC Annual & Wire Mtg.s	271.06
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 6,713.60</b>

**EDDIE MARTN**

<b>Per Diem</b>	- NRECA Director's Winter School (11/30-12/3); GRECC Planning & Review Mtg. (12/10); GRECC Bd. Mtg. (12/20)	\$ 2,162.97
<b>MISC</b>	- Walmart Gift Card	25.00
<b>VISA</b>	- Lunch GRECC Planning & Review Mtg.	4.74
	NRECA Director's Winter School	752.97
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	2.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 3,586.97</b>

**ROGER TRENT**

<b>Per Diem</b>	KAEC Annual & Wire Mtg. (11/18-20); NRECA Director's Winter School (11/29-12/3); GRECC Planning & Review Mtg. (12/10); GRECC Bd. Mtg. (12/20)	\$ 3,576.61
<b>MISC</b>	- Walmart Gift Card	25.00
	Out-of-Pocket transfer to a/c 143.31	14.75
<b>VISA</b>	- NRECA Annual Mtg. Registration & Entertainment Tickets	705.00
	Lunch GRECC Planning & Review Mtg.	4.74
	KAEC Annual & Wire Mtg.	433.74
	NRECA Director's Winter School	849.43
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	2.58
<b>KAEC</b>	- KAEC Annual & Wire Mtg.s	271.06
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 6,521.03</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Annual & Wire Mtg. (11/18-20); NRECA Director's Winter School (11/29-12/3); KAEC Travel Day (12/19); GRECC Bd. Mtg. (12/20)	\$ 3,173.19
<b>MISC</b>	- Walmart Gift Card	25.00
<b>VISA</b>	- KAEC Annual & Wire Mtg.	497.02
	NRECA Director's Winter School	653.59
	KAEC Bd. Mtg.	26.81
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	2.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 5,016.90</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	- Walmart Gift Card	25.00
<b>VISA</b>	- KAEC Annual Mtg. & Attorneys Conference	451.74
<b>Excess Hrs</b>	-	-
<b>Out-of-Pocket</b>	-	-
<b>NRECA</b>	- Renew Rural Elec Magazine (Usage Tax)	14.28
<b>TOTAL</b>	-	<u>\$ 491.02</u>























# Grayson Rural Electric Financial Report

February 18, 2019

At A Glance....

December

<u>kWh Sales (12/01 - 12/31)</u>		<u>Margins</u>	
Month	6.31%	Month	\$ (160,857.00)
YTD	6.42%	YTD	\$ (14,077.36)
<u>kWh Purchases (12/01 - 12/31)</u>		<u>TIER</u>	
Month	-4.92%	Month	(0.45)
YTD	5.83%	YTD	1.10
<u>Line Loss</u>			
Month	5.41%		
YTD	5.33%		

Fuel Adjustment (0.003506)

ESC 8.42%

Degree Days 759

Heating Degree Days 759

Cooling Degree Days 0

**Notes:**

- Capital Credits
- Rate Case Update 2018-00272
- Federated



**Sales**

**December**

	2018	2017	2017-2015
Actual	24,215,241	25,923,813	25,379,240
Budget	22,777,608		
Difference	1,437,633 6.31%	(1,708,572) -6.59%	(1,163,999) -4.59%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
Actual	255,884,096	228,103,664	240,370,240
Budget	240,447,900		
Difference	15,436,196	27,780,432	15,513,856
% Difference	6.42%	12.18%	6.45%

**Sales**

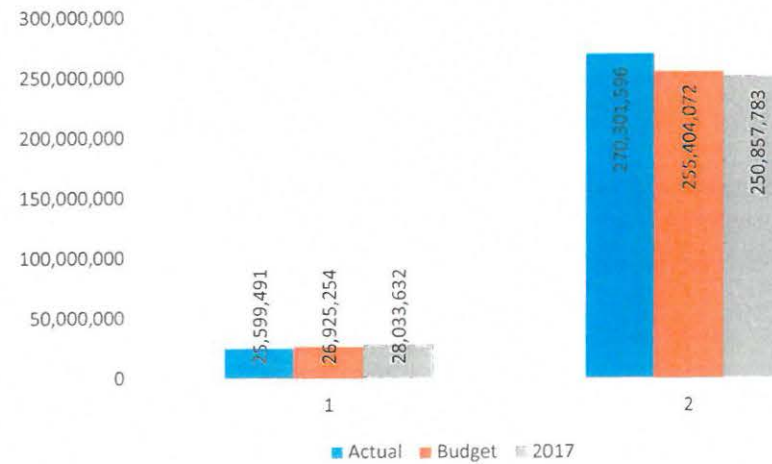


**Purchases**

**December**

	2018	2017	2017-2015
Actual	25,599,491	28,033,632	25,449,303
Budget	26,925,254		
Difference	(1,325,763) -4.92%	(2,434,141) -8.68%	150,188 0.59%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
Actual	270,301,596	250,857,783	258,625,140
Budget	255,404,072		
Difference	14,897,524	19,443,813	11,676,456
% Difference	5.83%	7.75%	4.51%

**Purchases**







Monthly Operating Revenue & Expenses

	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
Revenue	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)	(2,813,944)
Purchased Power	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572
Gross Margins	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)
Operations	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840
Maintenance	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689
Customer Service	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478
Informational Advertising	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538
Demonstration Advertising	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773	567	1,293	359	463
Admin & General	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431
Depreciation	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425
Regulatory	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Interest - LTD	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599	111,463	111,006
Interest - Deposits	593	1,408	1,396	1,392	1,394	1,451	1,423	1,414	1,414	1,424	1,435	9,431	7,865
Miscellaneous Expense	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869	801	531	845
Interest Income	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)	(2,455)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)
Non-Electric Revenue	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)	(400)
Capital Credits	-	-	(2,354)	(68,289)	-	-	-	-	(35,087)	(2,274)	-	-	-
Margins	(422,400)	(573,165)	(177,210)	(463,971)	128,463	394,450	424,432	(72,750)	(227,575)	98,238	212,516	109,934	160,857
* ( )'s = positive margins													
Operating Expenses	943,985	1,082,838	1,043,244	1,124,476	1,128,823	1,201,963	1,099,689	1,109,213	1,106,436	1,186,054	1,149,321	1,086,915	1,160,137
Monthly TIER	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.16)	0.01	(0.45)

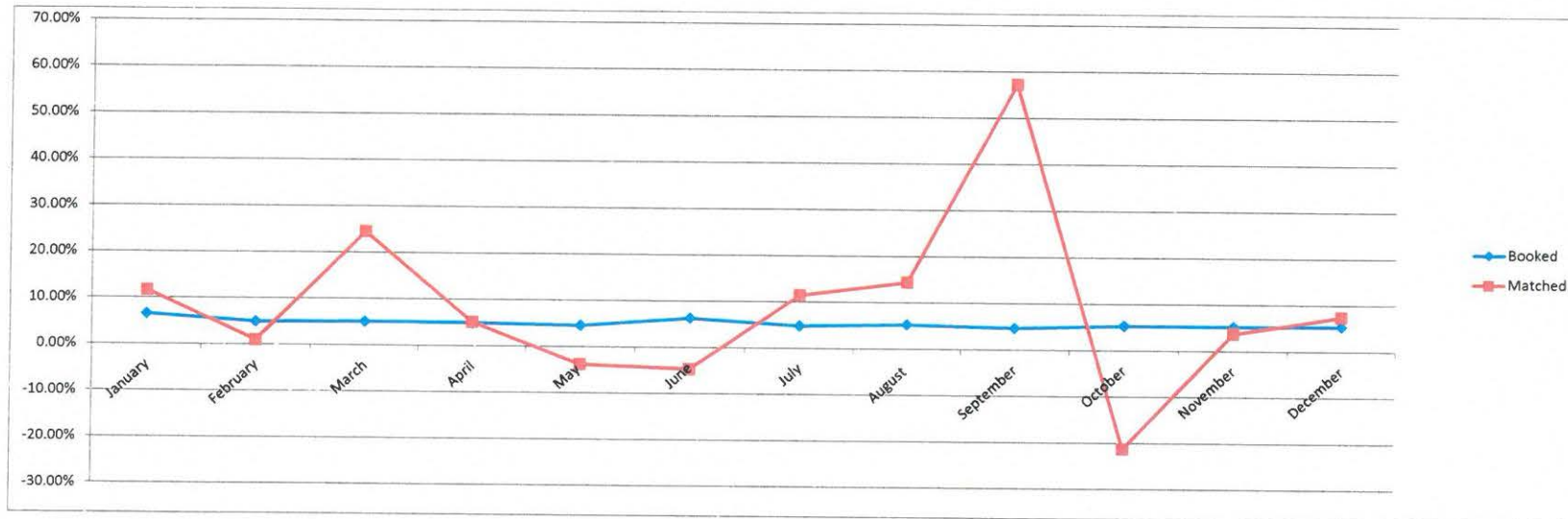
Revenue	(27,461,142)	(28,596,002)	(28,938,512)	(29,886,584)	(30,165,783)	(30,045,070)	(29,636,079)	(29,768,351)	(30,237,157)	(31,836,011)	(32,014,571)	(32,045,613)	(31,593,287)
Purchased Power	17,151,603	17,616,913	17,796,694	17,848,092	18,001,600	18,146,334	18,262,872	18,193,236	18,164,663	18,381,224	18,363,091	18,388,794	18,299,724
Gross Margins	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,116)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)
Operations	1,299,965	1,328,118	1,347,602	1,359,607	1,340,835	1,371,826	1,397,164	1,388,366	1,362,651	1,441,631	1,431,767	1,379,997	1,397,789
Maintenance	3,424,805	3,382,188	3,372,636	3,379,568	3,372,897	3,360,487	3,369,363	3,330,357	3,375,194	3,463,785	3,486,240	3,522,854	3,835,745
Customer Service	1,070,976	1,078,542	1,081,421	1,083,992	1,095,572	1,105,770	1,104,811	1,108,900	1,123,060	1,126,096	1,131,052	1,158,308	1,182,896
Informational Advertising	260,150	249,434	251,272	249,512	241,596	230,186	229,033	225,044	224,265	212,260	208,032	201,686	197,463
Demonstration Advertising	22,103	21,766	22,039	21,526	21,489	21,415	21,626	21,189	21,089	20,166	19,771	18,400	18,510
Admin & General	1,955,130	1,957,256	1,961,741	1,965,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,990	2,059,636	2,105,768	2,117,378	2,137,120
Depreciation	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711	3,576,075	3,580,618	3,585,984	3,589,787
Regulatory	41,074	41,108	41,142	41,176	41,210	41,244	39,781	38,318	36,855	35,382	33,929	34,478	35,025
Interest - LTD	980,167	982,563	996,207	1,010,095	1,041,614	1,056,893	1,071,890	1,081,503	1,094,698	1,107,891	1,122,504	1,150,073	1,177,645
Interest - Deposits	7,941	8,683	9,414	10,143	10,869	11,596	12,360	13,115	13,859	14,612	15,379	30,146	37,418
Miscellaneous Expense	35,148	35,746	36,093	48,372	53,634	58,349	59,248	63,865	73,942	81,631	80,183	75,752	71,812
Interest Income	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,954)	(29,710)	(29,836)	(29,581)	(29,580)	(29,593)	(30,555)	(30,589)
Non-Electric Revenue	(94,790)	(92,008)	(82,067)	(88,429)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)	(41,298)	(46,720)	(42,836)
Capital Credits	(87,795)	(90,149)	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)	(108,004)
Margins	2,048,484	1,381,820	1,277,616	411,413	366,286	782,405	1,308,690	1,112,141	677,991	(516,118)	(610,132)	(569,039)	14,217
Operating Expense	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,062	12,992,115	13,139,176	13,220,243	13,273,058	13,489,210
Rolling 12 Month TIER	(1.09)	(0.41)	(0.28)	0.59	0.65	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99



	<b>TIER</b>	<b>OTIER</b>
<b>January</b>	7.37	7.36
<b>February</b>	3.03	2.98
<b>March</b>	6.36	6.15
<b>April</b>	(0.15)	(0.22)
<b>May</b>	(3.18)	(3.19)
<b>June</b>	(3.49)	(3.54)
<b>July</b>	1.76	1.72
<b>August</b>	3.30	2.87
<b>September</b>	0.00	0.07
<b>October</b>	(1.16)	(1.19)
<b>November</b>	0.01	0.07
<b>December</b>	(0.45)	(0.48)
<b>YTD</b>	1.10	0.92
<b>With G&amp;T Capital Credits</b>	1.90	



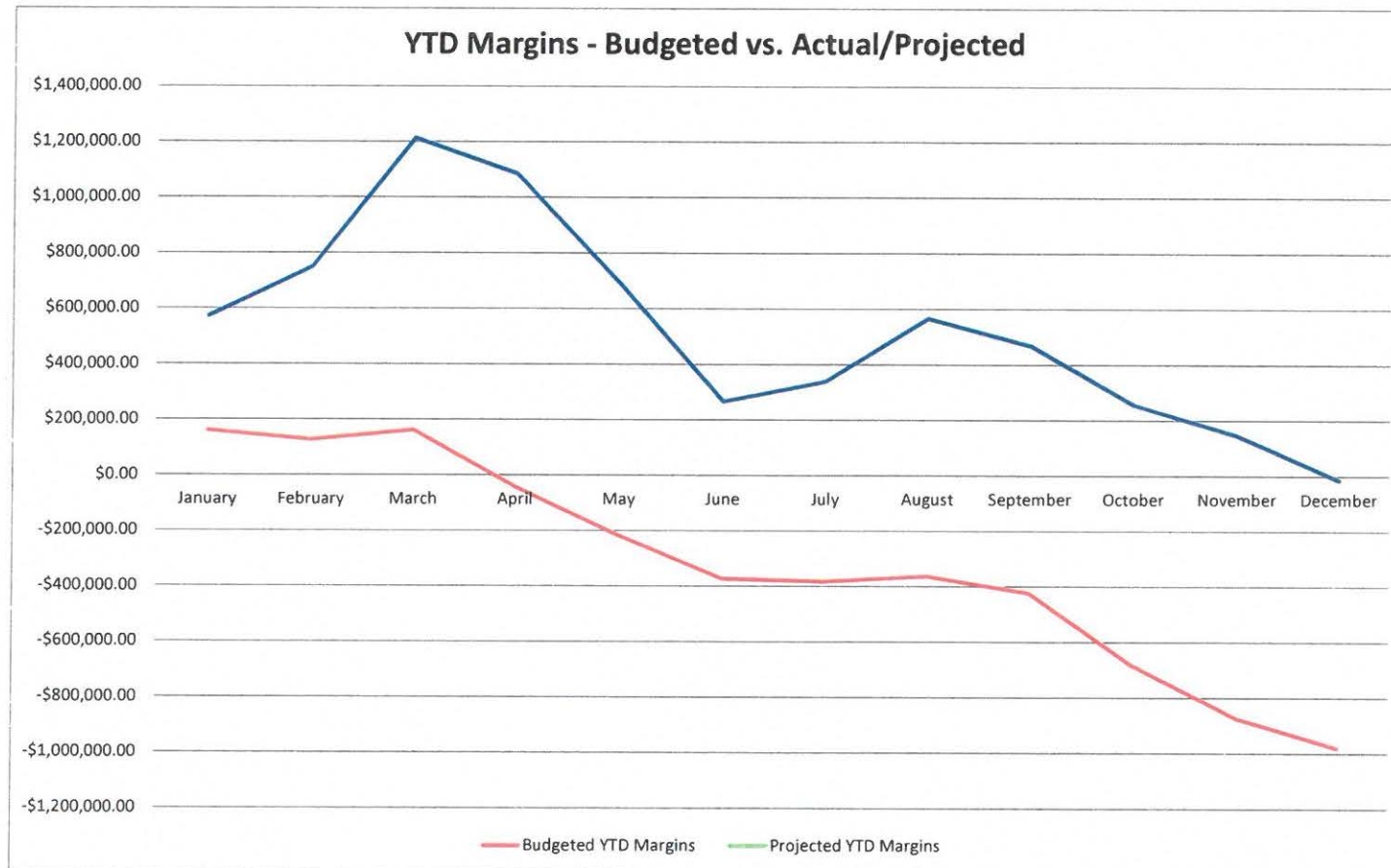
<b>2018</b>	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	
<b>2017</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00	20,538,661.00	20,681,489.00	17,894,915.00	7,502,112.00	22,154,070.00	20,736,137.00	25,923,813.00	
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	270,301,596.00
<b>2017</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00	17,588,540.00	19,637,908.00	23,382,748.00	20,921,575.00	17,591,772.00	18,280,898.00	21,554,306.00	28,033,632.00	250,857,784.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	14,417,500.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	2,701,259.00	3,026,660.00	10,089,660.00	-3,873,172.00	818,169.00	2,109,819.00	22,754,120.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.33%
<b>2017</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	-21.19%	3.80%	7.53%	8.42%







	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$227,575.48	\$20,126.23	\$207,449.25	\$567,467.43	-\$360,986.16	\$928,453.59	\$567,467.43
September	-\$98,238.37	-\$60,686.77	-\$37,551.60	\$469,229.06	-\$421,672.93	\$890,901.99	\$469,229.06
October	-\$212,515.76	-\$260,909.77	\$48,394.01	\$256,713.30	-\$682,582.70	\$939,296.00	\$256,713.30
November	-\$109,934.00	-\$189,227.77	\$79,293.77	\$146,779.30	-\$871,810.47	\$1,018,589.77	\$146,779.30
December	-\$160,856.66	-\$107,366.41	-\$53,490.25	-\$14,077.36	-\$979,176.88	\$965,099.52	-\$14,077.36







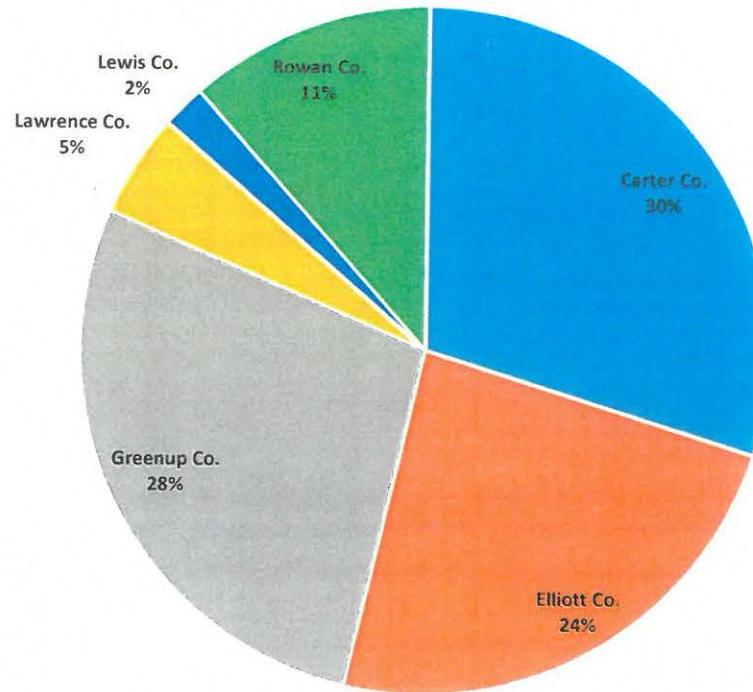
2018				2017			
December Bill				December Bill			
	Average	HDD	CDD	HDD	CDD	Average	
1-Dec	54	11	0	23	0	42	1-Dec
2-Dec	60	5	0	23	0	42	2-Dec
3-Dec	45	20	0	20	0	45	3-Dec
4-Dec	35	30	0	17	0	48	4-Dec
5-Dec	32	33	0	17	0	48	5-Dec
6-Dec	36	29	0	28	0	37	6-Dec
7-Dec	34	31	0	30	0	35	7-Dec
8-Dec	28	37	0	38	0	27	8-Dec
9-Dec	32	33	0	34	0	31	9-Dec
10-Dec	31	34	0	32	0	33	10-Dec
11-Dec	31	34	0	27	0	38	11-Dec
12-Dec	40	25	0	29	0	36	12-Dec
13-Dec	45	20	0	34	0	31	13-Dec
14-Dec	45	20	0	28	0	37	14-Dec
15-Dec	51	14	0	36	0	29	15-Dec
16-Dec	46	19	0	24	0	41	16-Dec
17-Dec	45	20	0	25	0	40	17-Dec
18-Dec	36	29	0	20	0	45	18-Dec
19-Dec	40	25	0	14	0	51	19-Dec
20-Dec	39	26	0	23	0	42	20-Dec
21-Dec	42	23	0	21	0	44	21-Dec
22-Dec	35	30	0	10	0	55	22-Dec
23-Dec	34	31	0	19	0	46	23-Dec
24-Dec	38	27	0	30	0	35	24-Dec
25-Dec	35	30	0	38	0	27	25-Dec
26-Dec	37	28	0	37	0	28	26-Dec
27-Dec	43	22	0	46	0	19	27-Dec
28-Dec	56	9	0	49	0	16	28-Dec
29-Dec	40	25	0	41	0	24	29-Dec
30-Dec	40	25	0	45	0	20	30-Dec
31-Dec	51	14	0	52	0	13	31-Dec
	40.5	759	0	910	0	35.6	
		759		910			



# Bills by County

	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17
Carter Co.	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585
Elliott Co.	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646
Greenup Co.	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286
Lawrence Co.	760	747	761	770	761	761	763	761	766	768	768	774	780
Lewis Co.	312	313	318	323	321	314	315	311	316	310	317	313	316
Rowan Co.	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777
	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390

# of Bills  
December 2018

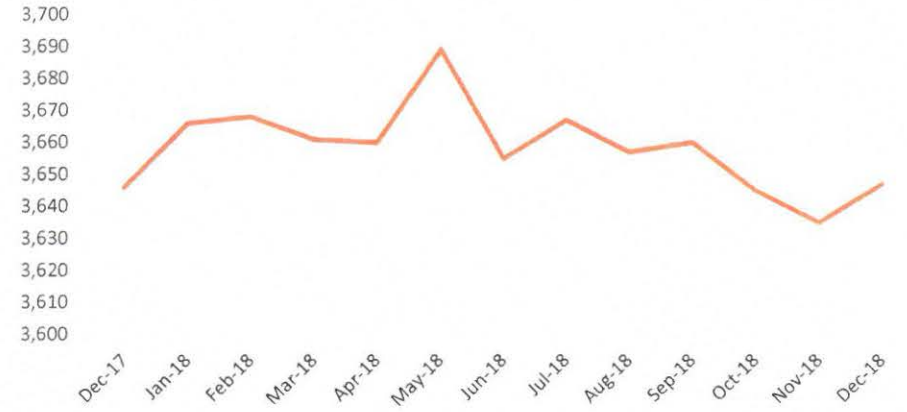




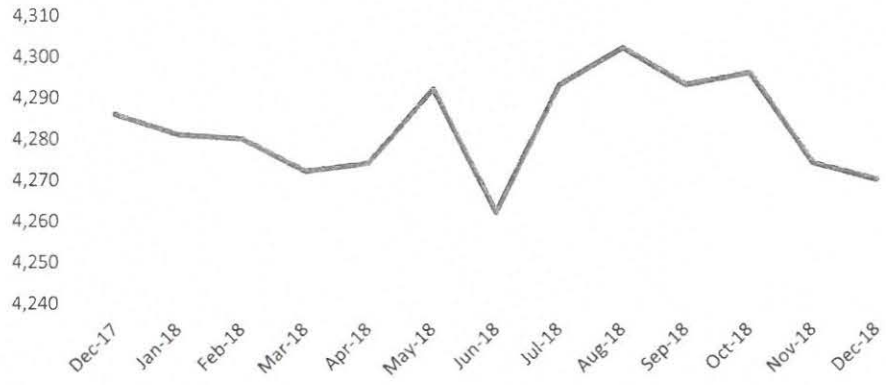
Carter Co.



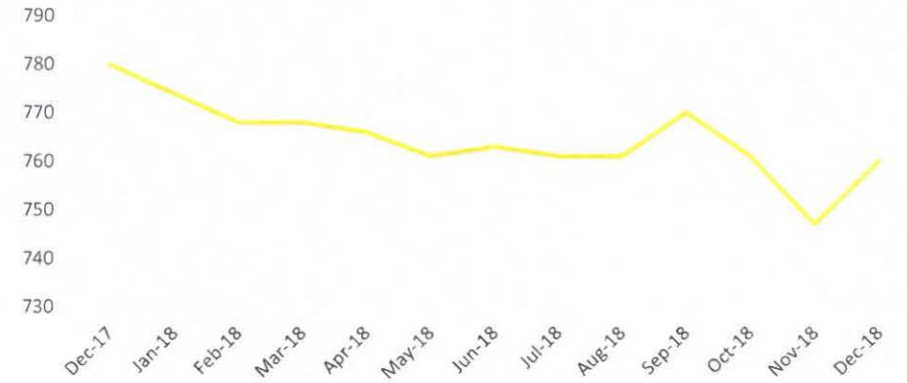
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.

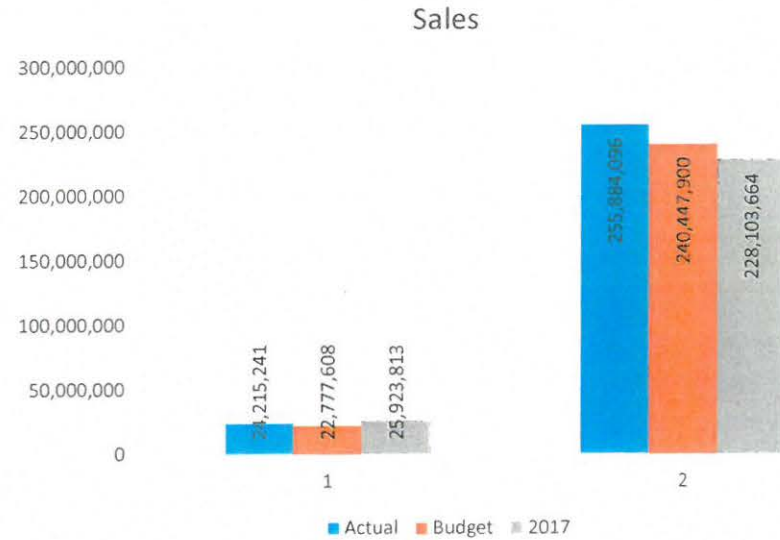




**Sales**

**December**

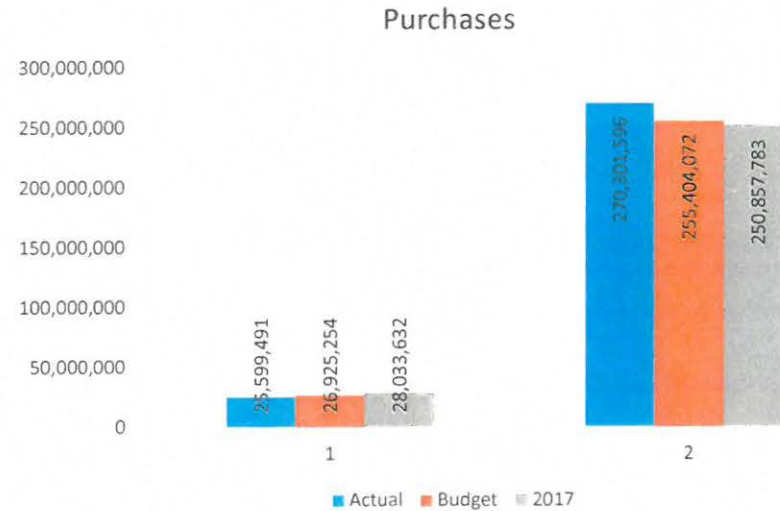
	2018	2017	2017-2015
Actual	24,215,241	25,923,813	25,379,240
Budget	22,777,608		
Difference	1,437,633 6.31%	(1,708,572) -6.59%	(1,163,999) -4.59%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	255,884,096	228,103,664	240,370,240
Budget	240,447,900		
Difference	15,436,196 6.42%	27,780,432 12.18%	15,513,856 6.45%
% Difference			



**Purchases**

**December**

	2018	2017	2017-2015
Actual	25,599,491	28,033,632	25,449,303
Budget	26,925,254		
Difference	(1,325,763) -4.92%	(2,434,141) -8.68%	150,188 0.59%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	270,301,596	250,857,783	258,625,140
Budget	255,404,072		
Difference	14,897,524 5.83%	19,443,813 7.75%	11,676,456 4.51%
% Difference			







Monthly Operating Revenue & Expenses

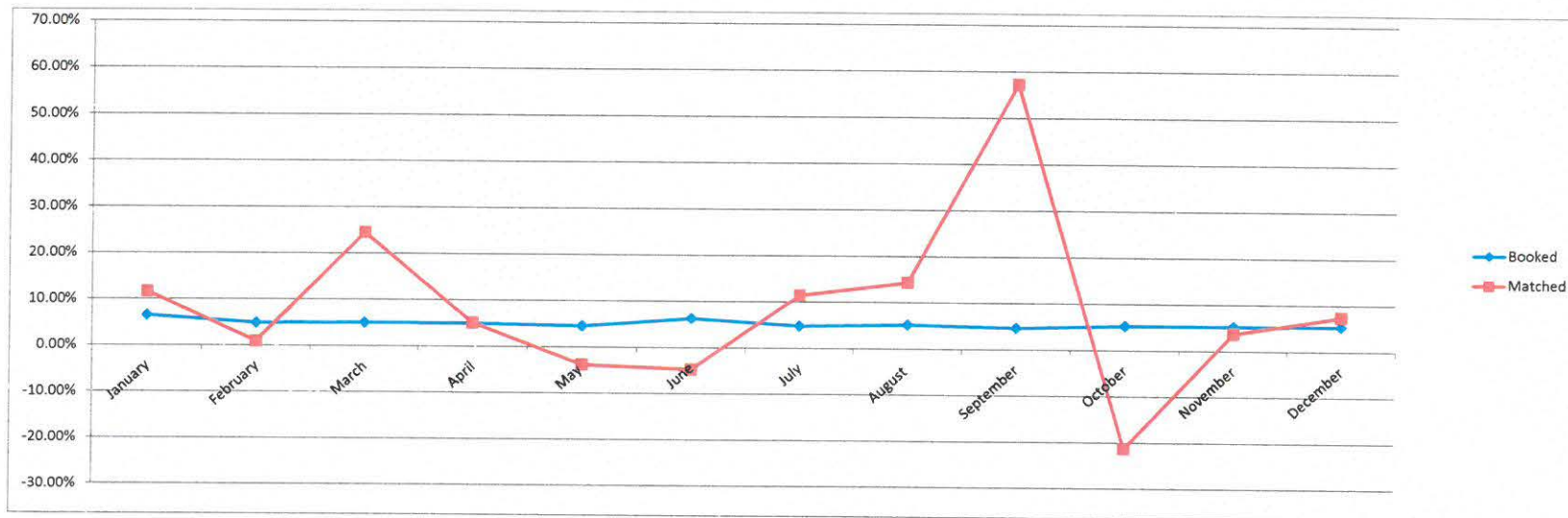
	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
Revenue	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)	(2,813,944)
Purchased Power	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572
Gross Margins	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)
Operations	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840
Maintenance	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689
Customer Service	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478
Informational Advertising	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538
Demonstration Advertising	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773	567	1,293	359	463
Admin & General	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431
Depreciation	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425
Regulatory	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,556
Interest - LTD	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599	111,463	111,006
Interest - Deposits	593	1,408	1,396	1,392	1,391	1,394	1,445	1,423	1,414	1,424	7,435	9,431	7,855
Miscellaneous Expense	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869	801	531	845
Interest Income	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)	(2,455)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)
Non-Electric Revenue	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)	(400)
Capital Credits	-	-	(2,354)	(68,289)	-	-	-	-	(35,087)	(2,274)	-	-	-
Margins	(422,400)	(573,165)	(177,210)	(463,971)	128,463	394,450	424,432	(72,750)	(227,575)	98,238	212,516	109,934	180,857
* ( )s = positive margins													
Operating Expenses	943,985	1,082,938	1,043,244	1,124,476	1,128,823	1,201,963	1,099,689	1,108,213	1,106,436	1,186,054	1,148,321	1,086,915	1,160,137
Monthly TIER	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.16)	0.01	(0.48)
Revenue	(27,461,142)	(28,586,002)	(28,838,512)	(29,886,584)	(30,166,783)	(30,045,070)	(29,636,079)	(29,788,351)	(30,237,157)	(31,836,011)	(32,014,571)	(32,945,613)	(31,593,287)
Purchased Power	17,151,603	17,616,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,164,663	18,361,224	18,363,091	18,388,794	18,299,724
Gross Margins	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,115)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)
Operations	1,299,965	1,328,118	1,347,602	1,369,607	1,340,635	1,371,826	1,397,164	1,388,365	1,382,551	1,441,631	1,431,767	1,379,997	1,397,789
Maintenance	3,424,805	3,382,188	3,372,636	3,370,558	3,372,897	3,360,487	3,359,363	3,330,357	3,375,194	3,463,785	3,486,240	3,522,854	3,635,745
Customer Service	1,070,976	1,078,542	1,081,421	1,083,992	1,095,572	1,105,770	1,104,811	1,108,900	1,123,060	1,126,096	1,131,052	1,156,308	1,182,896
Informational Advertising	260,150	249,434	251,272	249,512	241,696	230,186	229,033	225,044	224,285	212,280	208,032	201,686	197,463
Demonstration Advertising	22,103	21,768	22,039	21,526	21,489	21,455	21,626	21,189	21,089	20,168	19,771	18,400	16,510
Admin & General	1,955,130	1,957,256	1,961,741	1,965,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,990	2,069,636	2,105,768	2,117,378	2,137,120
Depreciation	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711	3,576,075	3,580,618	3,585,984	3,589,787
Regulatory	41,074	41,108	41,142	41,176	41,210	41,244	39,781	38,318	36,855	36,392	33,929	34,476	35,025
Interest - LTD	980,167	982,553	986,207	1,010,095	1,041,614	1,066,893	1,071,890	1,081,503	1,094,698	1,107,891	1,122,504	1,150,073	1,177,645
Interest - Deposits	7,941	8,683	9,414	10,143	10,869	11,588	12,360	13,115	13,859	14,612	21,379	30,146	37,418
Miscellaneous Expense	35,148	35,746	39,893	49,372	53,634	59,249	59,249	63,965	73,842	81,631	80,183	75,752	71,812
Interest Income	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)	(29,636)	(29,581)	(29,580)	(29,593)	(30,556)	(30,589)
Non-Electric Revenue	(94,790)	(82,008)	(88,429)	(82,067)	(81,882)	(88,429)	(75,137)	(73,767)	(72,518)	(42,923)	(41,298)	(46,720)	(42,836)
Capital Credits	(87,795)	(87,795)	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)	(108,004)
Margins	2,048,484	1,381,929	1,277,615	411,413	366,266	782,405	1,308,690	1,112,141	677,991	(516,118)	(610,132)	(569,039)	14,217
Operating Expense	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,092	12,992,115	13,139,176	13,220,243	13,273,058	13,489,210
Rolling 12 Month TIER	(1.09)	(0.41)	(0.28)	0.59	0.85	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99



	<b>TIER</b>	<b>OTIER</b>
<b>January</b>	7.37	7.36
<b>February</b>	3.03	2.98
<b>March</b>	6.36	6.15
<b>April</b>	(0.15)	(0.22)
<b>May</b>	(3.18)	(3.19)
<b>June</b>	(3.49)	(3.54)
<b>July</b>	1.76	1.72
<b>August</b>	3.30	2.87
<b>September</b>	0.00	0.07
<b>October</b>	(1.16)	(1.19)
<b>November</b>	0.01	0.07
<b>December</b>	(0.45)	(0.48)
<b>YTD</b>	1.10	0.92
<b>With G&amp;T Capital Credits</b>	1.90	



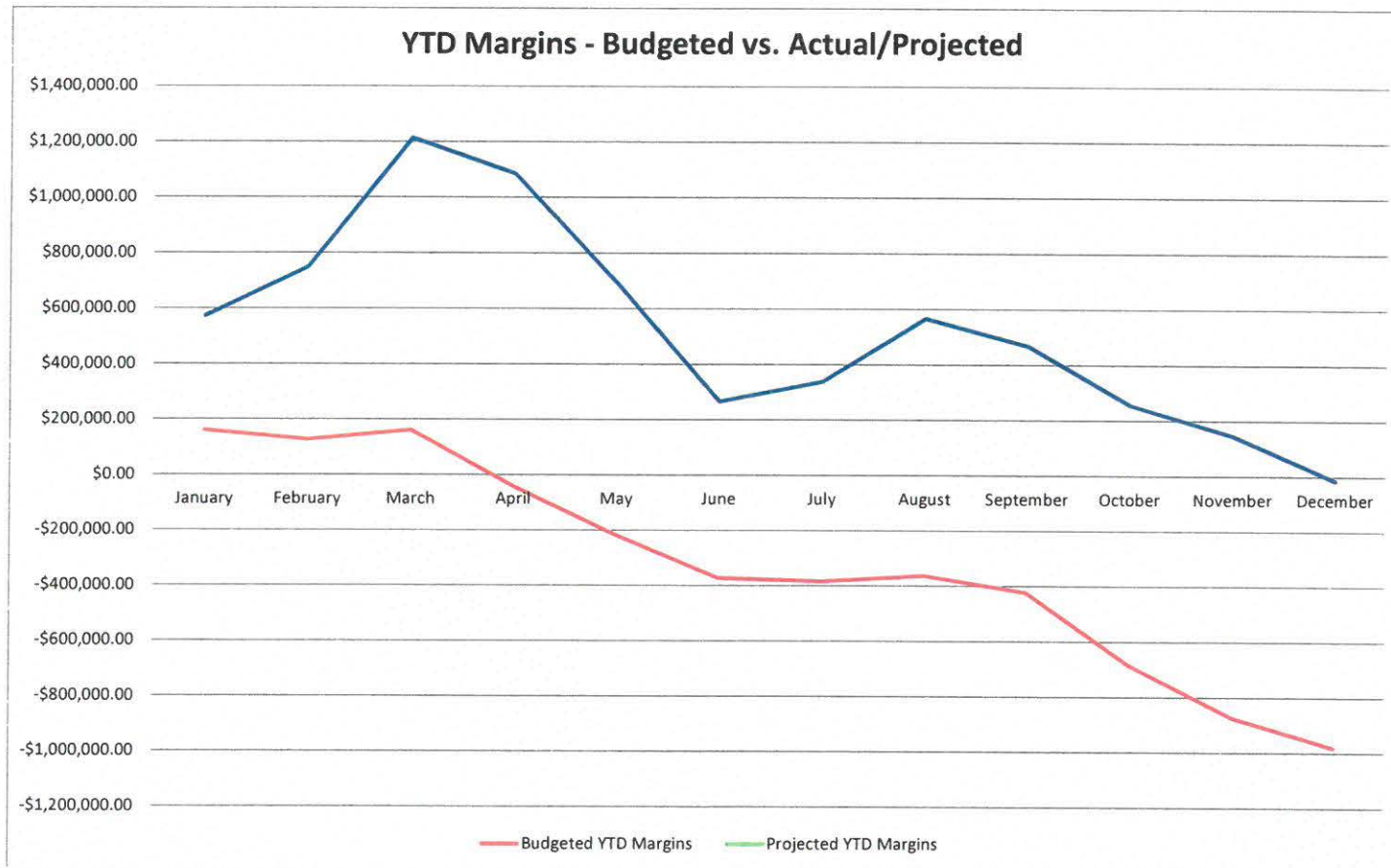
2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	
<b>2017</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00	20,538,661.00	20,681,489.00	17,894,915.00	7,502,112.00	22,154,070.00	20,736,137.00	25,923,813.00	
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	270,301,596.00
<b>2017</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00	17,588,540.00	19,637,908.00	23,382,748.00	20,921,575.00	17,591,772.00	18,280,898.00	21,554,306.00	28,033,632.00	250,857,784.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	14,417,500.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	2,701,259.00	3,026,660.00	10,089,660.00	-3,873,172.00	818,169.00	2,109,819.00	22,754,120.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.33%
<b>2017</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	-21.19%	3.80%	7.53%	8.42%







	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$227,575.48	\$20,126.23	\$207,449.25	\$567,467.43	-\$360,986.16	\$928,453.59	\$567,467.43
September	-\$98,238.37	-\$60,686.77	-\$37,551.60	\$469,229.06	-\$421,672.93	\$890,901.99	\$469,229.06
October	-\$212,515.76	-\$260,909.77	\$48,394.01	\$256,713.30	-\$682,582.70	\$939,296.00	\$256,713.30
November	-\$109,934.00	-\$189,227.77	\$79,293.77	\$146,779.30	-\$871,810.47	\$1,018,589.77	\$146,779.30
December	-\$160,856.66	-\$107,366.41	-\$53,490.25	-\$14,077.36	-\$979,176.88	\$965,099.52	-\$14,077.36







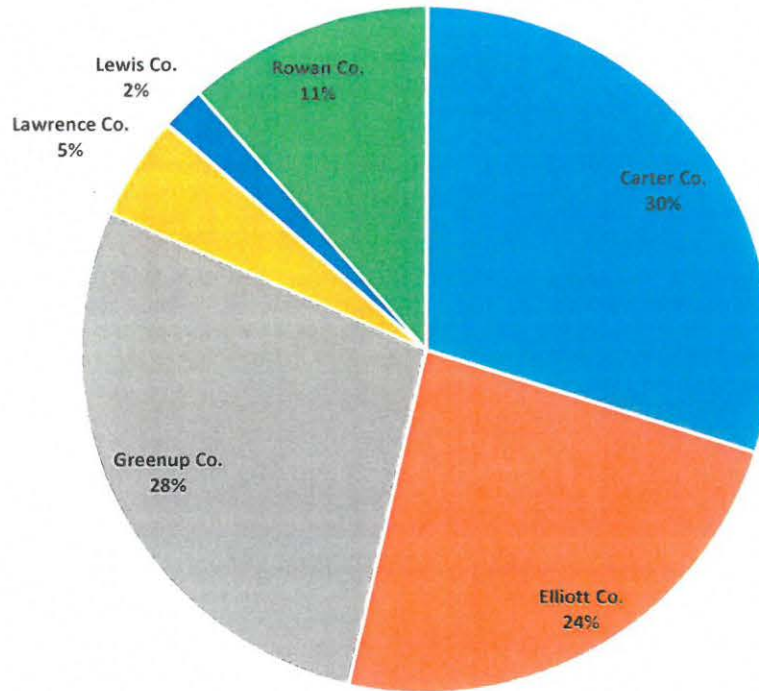
2018				2017			
December Bill				December Bill			
	Average	HDD	CDD	HDD	CDD	Average	
1-Dec	54	11	0	23	0	42	1-Dec
2-Dec	60	5	0	23	0	42	2-Dec
3-Dec	45	20	0	20	0	45	3-Dec
4-Dec	35	30	0	17	0	48	4-Dec
5-Dec	32	33	0	17	0	48	5-Dec
6-Dec	36	29	0	28	0	37	6-Dec
7-Dec	34	31	0	30	0	35	7-Dec
8-Dec	28	37	0	38	0	27	8-Dec
9-Dec	32	33	0	34	0	31	9-Dec
10-Dec	31	34	0	32	0	33	10-Dec
11-Dec	31	34	0	27	0	38	11-Dec
12-Dec	40	25	0	29	0	36	12-Dec
13-Dec	45	20	0	34	0	31	13-Dec
14-Dec	45	20	0	28	0	37	14-Dec
15-Dec	51	14	0	36	0	29	15-Dec
16-Dec	46	19	0	24	0	41	16-Dec
17-Dec	45	20	0	25	0	40	17-Dec
18-Dec	36	29	0	20	0	45	18-Dec
19-Dec	40	25	0	14	0	51	19-Dec
20-Dec	39	26	0	23	0	42	20-Dec
21-Dec	42	23	0	21	0	44	21-Dec
22-Dec	35	30	0	10	0	55	22-Dec
23-Dec	34	31	0	19	0	46	23-Dec
24-Dec	38	27	0	30	0	35	24-Dec
25-Dec	35	30	0	38	0	27	25-Dec
26-Dec	37	28	0	37	0	28	26-Dec
27-Dec	43	22	0	46	0	19	27-Dec
28-Dec	56	9	0	49	0	16	28-Dec
29-Dec	40	25	0	41	0	24	29-Dec
30-Dec	40	25	0	45	0	20	30-Dec
31-Dec	51	14	0	52	0	13	31-Dec
	40.5	759	0	910	0	35.6	
		759		910			



**Bills by County**

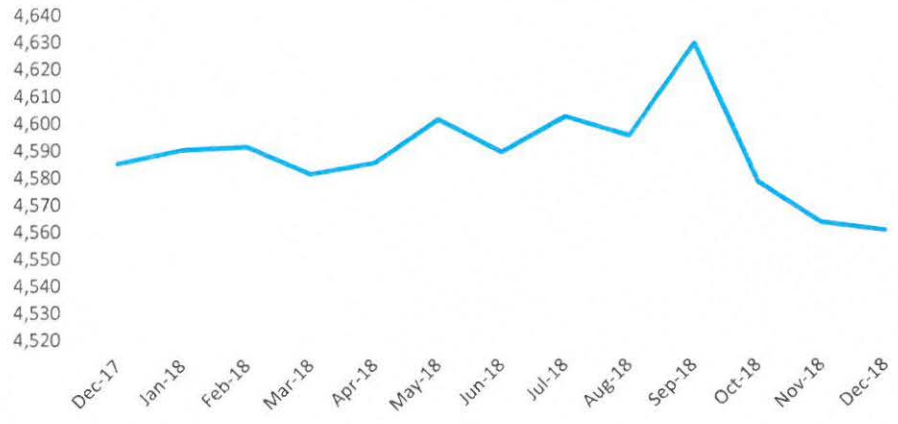
	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17
<b>Carter Co.</b>	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585
<b>Elliott Co.</b>	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646
<b>Greenup Co.</b>	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286
<b>Lawrence Co.</b>	760	747	761	770	761	761	763	761	766	768	768	774	780
<b>Lewis Co.</b>	312	313	318	323	321	314	315	311	316	310	317	313	316
<b>Rowan Co.</b>	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777
	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390

**# of Bills  
December 2018**

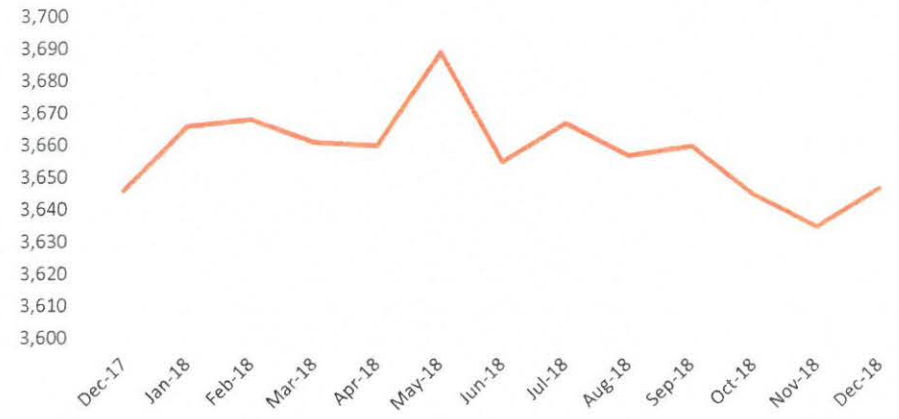




Carter Co.



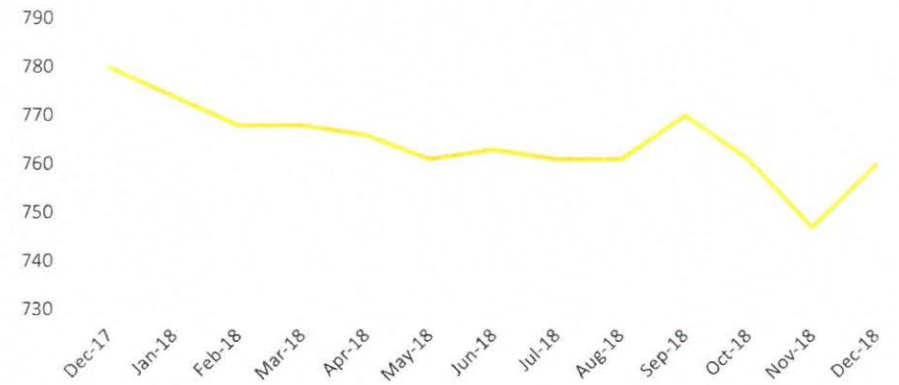
Elliott Co.



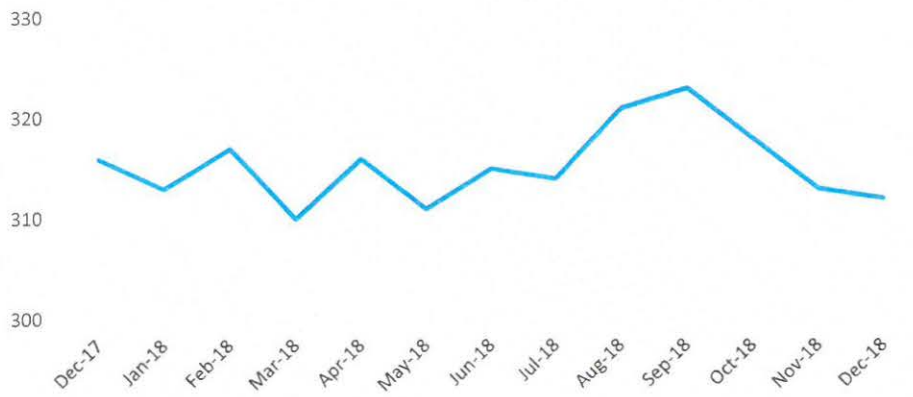
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.











II

**DECEMBER 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		14		1,072.59	(1,072.59)	
100	NEW LINE EXTENSIONS		18		81,347.24	81,347.24	4,519.29
200	TIE LINES						
300	MAJOR PROJECTS		1		72,347.25	72,347.25	
602	SERVICE UPGRADES		3		4,160.69	4,160.69	1,386.90
603	SECTIONALIZERS		5		35,263.49	35,263.49	
604	REGULATORS						
606	POLES		31	POLES	132,770.40	132,770.40	4,282.92
608	CONDUCTOR CHANGE		2		201,915.63	201,915.63	
701	SECURITY LIGHTS		32		24,193.25	24,193.25	756.04
1600	MINOR PROJECTS		4		11,497.18	11,497.18	
	TOTAL		107		<b>564,567.72</b>	<b>562,422.54</b>	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	30		27,527.70	27,527.70	917.59
	METERS	370.00	0		0.00	0.00	0.00
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	TOTAL		30		<b>27,527.70</b>	<b>27,527.70</b>	
	MATERIAL				<b>29,575.47</b>		
	MATERIAL OH				<b>38,332.58</b>		
	LABOR				<b>22,914.74</b>		
	LABOR OH				<b>54,960.76</b>		



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On March 22, 2019 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
  2. Invocation
  3. Approval of the Minutes from the February 2019 Board Meeting
  4. President's Report – Carol Hall Fraley
    - a) Action on Bylaws Article IV Board Members, Section 1 and Section 3 and consideration of Article 4, Section 2 and Section 4.
    - b) Consideration of Board Policy 110 and 515.
  5. Bylaws Article IV, Sections 1 & 3
  6. KAEC Director's Report – Jimmy Whitt
  7. EKPC Director's Report – Carol Fraley
  8. Cooperative Legal Matters – Derrick Willis
  9. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for January 2019 – Bradley Cherry, Manager of Finance & Accounting
  10. Manager of Technical Services Report – Brian Poling
  11. Manager of Marketing & Member Services Report – Kim Bush
  12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
  13. Approval of seventy (70) New Memberships and Retirement of sixty-five (65) Existing Memberships for February 2018
  14. Consider Approval of Accounts to be Charged Off to Reserve \$2,982.76.
  15. Consider Approval of President's Business Expense in the Amount of \$610.68, Director's Business Expense in the Amount of \$10,904.69 and Attorney's Business Expense in the Amount of \$161.15
  16. Consider Community Service and/or Donations
  17. Approval of Attendance at Meetings – Directors and Employees
  18. Report of Any Meetings Held
  19. Confirm Date for Future Board Meeting – Friday, April 26, 2019
  20. Additional Business
  21. Adjourn
-



On February 18, 2019 at 9:11 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors present. Director Arrington was not present. Others present included: Carol Hall Fraley, President and CEO; Derrick Willis of Willis Law Office, Kim Bush, Manager of Marketing & Member Services, Andrea McCleese, Technical Services Supervisor and Bradley Cherry, Chief Financial Officer.

INVOCATION	Director Jimmy Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the minutes from the January 2019 Board Meeting for informational purposes only.
APPROVAL OF EX. SESSION MINUTES	Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the minutes of three Executive Sessions (9:16 a.m.-9:45 a.m.; 11:36 a.m. - 11:54 a.m. and 12:41 p.m.-1:02 p.m.) from the January 25 <sup>th</sup> Board Meeting Executive Sessions for informational purposes only.
PRESIDENT'S REPORT	President Fraley reported on the following:
PRISCILLA SPARKS	Priscilla Sparks has been taken off work for approximately 6 weeks. President Fraley was proud to report that staff members have been very helpful in taking on some of Priscilla's duties in her absence. Sherry Buckler will handle Director's Expenses and Cait Sexton will handle all travel arrangements. Kim Bush will be acting liason to the Board and Andrea McCleese will assist President Fraley with various issues, including the rate case.
CRC	President Fraley reported that we received a check from CRC in the amount of \$400, as a dividend for the business that we do with their company.
PROMOTIONS	Scott McGuire has completed requirements for First Class Meterman and Justin Staniford has completed the lineman's apprenticeship program. He is now a First Class Lineman. Caitlin Sexton has been promoted to Division Assistant: Accounting/Finance.
AMBER WEDDINGTON	Amber Weddington was hired January 28, 2019 and will be training in the Member Services Department. She is working closely with Sherry Conley. She has a business degree and is from Elliott County. She now lives in Flatwoods. President Fraley reports that Ms. Weddington has the potential to serve in any department, as needed.
NEW POSITION	With the new metering program, it has become apparent that we will need an additional employee.
RUS WORK PLAN	Mike Norman from RUS has informed us that our work plan will have to be submitted two months earlier than normal. Brian Poling will be discussing that at a later time.
CONTRUCTION CREWS	Due to the wet weather, work has been confined to what can be done safely and without property damage or damage to our trucks. Construction crews have worked in the office, changing lights and cleaning out the garage, trucks and warehouse. They have also completed their online safety classes. Pike

crews have had a few weeks that they didn't get full weeks due to the weather.

PEGGY WELLS

Peggy will officially retire March 1<sup>st</sup>. Her luncheon will be at noon.

DERRICK WILLIS

Mr. Willis was introduced to the board of directors. He has his own law firm, Willis Law Office and has practiced law for the past 13 years. His practice includes the City of the Olive Hill and he has had experience with Kentucky Public Service Commission.

BYLAWS/BOARD POLICIES

President Fraley noted that our Bylaws needed some changes or corrections to bring them up to date. Those changes were introduced and will be on the agenda for the March Board Meeting.

WILL WILHOIT

Director Bentley said that Will Wilhoit had expressed interest in the Attorney position. Director Trent suggested that the board interview more than one attorney.

EXECUTIVE SESSION

Director Martin made a motion at 9:56 a.m. to move to Executive Session. Director Martin made a motion at 10:11 a.m. to return to regular board meeting.

MILEAGE AMOUNT

Motion made by Director Trent, seconded by Director Whitt, to change the mileage rate to 58 cents, retroactive to January 1, 2019. Motion carried

KAEC DIRECTOR'S REPORT

Director Whitt reported the following on the KAEC Board Meeting:

There was no KAEC Board Meeting in February. However, a phone conference was held on Friday, February 15, 2019, for a committee meeting. Reports from the legislative session were that the Solar bill has not been passed but it is being recommended that customers with solar, be paid the same rate that we charge for a kilowatt hour. The Public Service Commission wants to control the customer service charges for all electric companies.

There will be a workshop on February 26, to discuss stream lined rate cases. Bradley and Andrea will be attending.

EKPC DIRECTOR

President Fraley reported on the EKPC board meeting in the absence of Director Arrington. The board suspended the rate increase due the Farm bill that was recently passed. Safety measures were strong. November margin was approximately 100,000 over budget. YTD margin following November was over budget \$12.8 million due largely to higher revenue from favorable weather and lower than expected purchased power and fuel expenses. EKPC is going to spend \$10.9 million to replace the cooling tower for Spurlock.

WILL WILHOIT

Chairman Dupuy asked President Fraley to contact the Wilhoit Law office to see if Mr. Wilhoit was able to come over to meet with the board.

Will Wilhoit was introduced to the board of directors. He has practiced law since 1992 in Grayson. He is a 5<sup>th</sup> generation Wilhoit attorney. He does all types of litigation and represents several businesses. He doesn't have experience with cooperatives or the Kentucky Public Service Commission. He has worked with several boards, serving as an attorney. He outlined a fee

schedule. The Board thanked him for taking time to come and meet with them.

FINANCIAL & STATISTICAL  
REPORT FOR DECEMBER  
2018

Bradley Cherry, CFO, presented the Financial & Statistical Report for December 2018:

SALES AND PURCHASES

Kilowatt hour sales for the month of December were up 6.3% over budget. The year-to-date total was 6.42% over budget. Purchases for the month of December were down 5% over budget. The year-to-date total was 5.83% above budget. Line loss for December 5.41%. The year-to-date for line loss is 5.33%. Year-to-date margins were (\$160,857) after we took out East Kentucky's capital credits which left us with the year-to-date total of (\$14,077.36).

T.I.E.R.

December 2018's monthly T.I.E.R. was -0.45 with the rolling 12 month T.I.E.R. at 1.1. Our O.T.I.E.R. for 2018 was .92.

FUEL ADJUSTMENT

The fuel adjustment for December was (.003506).

ESC

The environmental surcharge was 8.42%.

DEGREE DAYS

There were 759 degree days, no cooling degree days and 759 heating degree days.

Sales were down 6.5% compared to 2017. Year-to-date sales were up about 12% but those numbers do not account for 20 days when we changed our billing cycle to a calendar year.

Purchases were down from last year 8.7%. Comparing to a 3-year average, they are up about .6%. Year-to-date, our purchases compared to 2017 are up almost 7.75% and the three year average about 4.5%.

Bradley presented the financial report in detail.

BILLS

We mailed 15,325 bills for the month of December. Compared to 2017, we have 217 fewer bills.

Bradley reviewed Form 219. We had 14 retirements in December, extended 18 new lines, completed one major project, had 3 service upgrades, 5 Sectionalizers, changed 31 poles, 2 conductor changes, 32 security lights, and completed 4 minor projects. These items cost \$564,567.72 and \$562,422.54 was taken from loan funds. We also purchased 30 transformers that cost \$27,527.70.

CAPITAL CREDITS

Capital Credits checks will be mailed out at the end of this week.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR DECEMBER 2018

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for December 2018 as presented, for informational purposes only.

FEDERATED INSURANCE

An update on our proposal from Federated adding 2 drones to our coverage will increase our coverage to a total of \$118,256.



The Capital Credit defense limit, will protect us with any type of legal action taken against us for not paying capital credits. It would cover legal fees that we would have if legal action were ever to be taken against Grayson concerning capital credits. The cost of the policy is \$1326 for a million dollars of protection.

Motion was made by Director Whitt, seconded by Director Bentley and Unanimously agreed to approve the proposal from Federated concerning Capital Credits defense and also the updated insurance coverage to cover the two drones, for informational purposes only.

RATE CASE

Tomorrow will be the hearing at the PSC. President Fraley, Mr. Cherry, CFO, as well as our legal counsel Mr. Clayton Oswald will be in attendance at the hearing. They are prepared to answer the questions provided by the PSC. Mr. Willis was also invited to attend the hearing and plans to attend. The hearing will be streamed on the PSC website live for anyone that wants to watch it.

MANAGER OF  
TECHNICAL SERVICES

Brian Poling, Manager of Technical Services reported on the following:

Field work is underway for the RF upgrade. The first collector, two routers and ten meters are deployed and as of Friday afternoon. Everything reported as it should have. This morning they are deploying meters. The field work began on Sunset Hill and will expand from the location out into other areas.

In some preliminary testing we were getting 2-second response times back to the collector when we requested information from the meter. It takes about 10 seconds for the computer screen to update.

Robert has created a map that shows where meters are being set daily.

Andrea is currently working with Netgain to upgrade our virtual desktops. There are two more phases to the upgrade, which will include several of our servers and, in the last phase, an upgrade to our email server.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services reported on the following.

ANNUAL MEETING

Annual Meeting Budget was presented at \$51,000. This total does not include cost of labor for that day. The cost of buckets has increased. Several bucket gift items have been ordered around the \$5-\$7 range.

We received 32 scholarship applications that will be judged on Thursday of this week. We had applications from every county except Lewis but did have a Carter County application where the student actually attends Lewis County High School, so all of the high schools in our six county area are represented.

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the proposed Annual Meeting Budget, for informational purposes only.

PREPAY

We have 791 Pre Pay active accounts and 2 inactive accounts. 4,146 payments were made in 30 days with an average of \$43.13 per payment.



Tina has been busy with energy audits. She has had requests for 16 energy audits this month and two Button-Up Projects.

LIHEAP

We have received \$166,628.92 in payments from all LIHEAP agencies through the end of January.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

EMPLOYEE/LOST TIME  
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The regular Monday morning safety meetings were held by various staff members of Grayson Rural Electric.

January 7, 2019, Sherry Buckler, Manager of Accounting and Human Resources, was in charge of meeting. She read from the safety manual on General Office Safety 5501.1, Video Display Terminals 501.2, Warehouse Operations 502, General 502.1 and Shipping and Receiving 502.2, pages 127 thru 129. Kyle Clevenger stated that it was Muddy and nasty and we need to stay out of yards and watch consumers driveways. Also be careful and watch over each other.

January 14, 2019, Kim Bush, Manager of Marketing and Member Services, was in charge of meeting. She read from the safety manual on 502 Warehouse Operations, 502.1 General 502.2 Shipping and Receiving, 503 Vehicle Operations, 503.1 General, 503.2 Inspection of Equipment, and 503.3 Exhaust Gas pages 128 thru 131. Kyle Clevenger requested everyone to be careful and have a great week.

January 24, 2019, Bradley Cherry, Manager of Finance and Accounting, was in charge of meeting. Tony Dempsey with KAEC was our guest speaker and he showed a power point on Accident review and the work methods we use. He also discussed building good safety habits, knowing your friends, and communication. Kyle Clevenger asked everyone to remember it is wet and slick outside, to slow down, and take your time so you can go home tonight.

January 28, 2019, Kyle Clevenger, Manager of Operations, was in charge of the meeting. Robert Brown presented a power point on Fire Extinguisher Safety. He went over major types of fires, types of extinguishers, fire gauge, how to use, when to use and where the extinguishers are located at the coop. Kyle Clevenger asked everyone to have a safe day and watch over each other.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

JOBS BUILT

Construction built one hundred seven (107) new work orders (including 17 services added and 11 services retired) for the month of January and worked zero (0) hours of overtime.

DELINQUENT NOTICES

There were 148 delinquents for February. Sixty-seven (67) cards were issued to be disconnected. Seven accounts were disconnected by remote on

February 7, cycle 1. Eighty-one (81) cards were issued and 7 accounts were disconnected by remote meter on February 14 for cycle 2. Field personnel disconnected a total of 5 meters and a total of 13 meters were reconnected by field personnel and remote.

OVERTIME HOURS

The Maintenance Department worked one hundred eighty-four (184) hours of overtime; Maintenance worked ninety-four (94) work order overtime hours. The Engineering Department worked five (5) hours of overtime.

CONTRACT CREWS

We have one (1) Pike crew working. Ryan Kitchen is working on coordination and pole changes in various counties.

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 644 trees, cut 1,372 trees, cut 33,090 feet of brush/line and sprayed 0 spans of line. The crews are working in the following areas:

Crews trimmed 644 trees, cut 1372 trees and , cut 33,090feet of brush/line, and sprayed

- 1 cutting crews in Carter, Lewis, & Greenup Counties
- 1 cutting crews in Rowan County
- 2 cutting crews in Lawrence and Elliott County
- 1 bucket truck crew in Carter, Lewis, & Greenup counties
- 1 bucket truck crew in Rowan County
- 1 bucket truck crew in Elliott County
- 1 tractor crew in Carter County
- 2 cutting crews on Porter Creek
- 2 Cutting crews on a circuit on Rt 32, Lawrence County (Smith Crews)

ENGINEERING REPORT

The Engineering Department released three hundred sixty-two (362) prints consisting of 1,416 feet of primary line and 3,345 feet of service wire. The larger number of prints was due to the new metering.

They currently have four (4) new services to be staked and two (2) to be drawn. There are eight (8) miscellaneous jobs to be staked or drawn.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve fifty-eight (58) new memberships and retirement of eighty-one (81) existing memberships for February 2019.

BAD DEBT WRITE-OFFS

Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to charge off \$2,096.40 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES

Motion was made by Director Martin seconded by Director Trent and unanimously agreed to approve the President's business expense of \$17.20, Director's business expenses of \$25,648.88, and Attorney's business expense of \$491.02.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Quilts of Valor                      \$250

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

ATTENDANCE TO MEETINGS Director Trent has cancelled for the National Meeting but may go if he decides to go after surgery.

BOARD MEETING DATE The March Board Meeting will be held on Friday, March 22<sup>nd</sup> at 9:00 a.m.

EXECUTIVE SESSION An Executive Session was called for by Director Martin at 11:28 a.m. Motion made by Director Martin to end Executive Session at 11:40 a.m.

ADDITIONAL BUSINESS There was no additional business to bring before the Board of Directors.

ADJOURN Chairman Dupuy adjourned the meeting at 11:40 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer



































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**President & CEO's Expenses**  
January-19

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Check Date	Check #	Description	Amount
1/17/2019	176334	2018 KAEC Annual Mtg.	\$ 159.38
1/28/2019	176423	CEO Verizon Charges	\$ 64.11
2/7/2019	176482	2019 Manager's Association Dues	\$ 300.00
2/4/2019	176464	VISA	
		Honey Baked Ham - Christmas	\$ 63.25
		Lunch-Planning Peggy's Retirement	\$ 12.75
		Lunch-Staff Mtg. (1/2)	\$ 11.19
		Total CEO Expenses	\$ 610.68



## DIRECTORS & ATTORNEY EXPENSES

January-19

**KENNETH ARRINGTON**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (1/18); GRECC Bd. Mtg. (1/25)	\$ 692.80
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	\$ 1,475.07

**JIM BENTLEY**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (1/18); GRECC Bd. Mtg. (1/25)	\$ 602.32
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	\$ 1,385.18

**HAROLD DUPUY**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (1/18); CFC Statewide Workshop (1/23-24); GRECC Bd. Mtg. (1/25)	\$ 1,503.92
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	\$ 2,286.40

**EDDIE MARTN**

<b>Per Diem</b>	GRECC Special Bd. Mtg. (1/18); GRECC Bd. Mtg. (1/25)	\$ 618.56
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	\$ 1,401.42

**ROGER TRENT**

<b>Per Diem</b>	GRECC Special Bd. Mtg. (1/18); GRECC Bd. Mtg. (1/25)	\$ 681.20
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,463.47</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Special Bd. Mtg. (1/18); KAEC Bd. Mtg. (1/21); CFC Statewide Workshop (1/23-24) GRECC Bd. Mtg. (1/25)	\$ 1,943.12
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
	KAEC Bd. Mtg.	167.17
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 2,893.15</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	0.00
<b>VISA</b>	- Christmas (Honey Baked Ham)	144.15
<b>Excess Hrs</b>	-	-
<b>Out-of-Pocket</b>	- Reimburse Recording Fee (1) Easement	17.00
<b>NRECA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 161.15</u>

























PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 79,486,367.10	30.0 MEMBERSHIPS 153,965.00-
2.0	CONSTRUCTION WORK IN PROGRESS 839,148.90	31.0 PATRONAGE CAPITAL 25,537,951.28-
3.0	TOTAL UTILITY PLANT 80,325,516.00	32.0 OPERATING MARGINS - PRIOR YEAR 967,757.61-
4.0	ACCUM PROV FOR DEP & AMORT 25,313,929.88-	33.0 OPERATING MARGINS-CURRENT YEAR 340,100.12-
5.0	NET UTILITY PLANT 55,011,586.12	34.0 NON-OPERATING MARGINS 78,094.58-
		35.0 OTHER MARGINS & EQUITIES 197,065.88
6.0	NON-UTILITY PROPERTY (NET) .00	36.0 TOTAL MARGINS & EQUITIES 26,880,802.71-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 16,744,943.84	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 634,222.31	38.0 LNG-TERM DEBT-FFB-RUS GUAR 28,218,308.89-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 16,284,206.51-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 17,379,264.80	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 44,502,515.40-
15.0	CASH - GENERAL FUNDS 54,235.12	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,181,653.27-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 3,181,653.27-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS RECV - SALES ENERGY(NET) 3,794,378.61	47.0 NOTES PAYABLE 527,000.00-
21.0	ACCTS RECV - OTHER (NET) 87,734.18	48.0 ACCOUNTS PAYABLE 2,293,326.70-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 1,182,481.21-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 1,477,719.76	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 336,204.50	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 9,563.44	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 5,759,835.61	53.0 OTHER CURRENT & ACCRUED LIAB 805,346.40-
		54.0 TOTAL CURRENT & ACCRUED LIAB 4,808,154.31-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 1,307,341.65	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 84,902.49-
29.0	TOTAL ASSETS & OTHER DEBITS 79,458,028.18	57.0 TOTAL LIABILITIES & OTH CREDIT 79,458,028.18-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	598.50
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	598.50

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

*Bradley Cherry*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Carroll Daulton*  
SIGNATURE OF MANAGER

03/13/2019  
DATE

03/13/2019  
DATE



PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	3,881,959.78	3,334,160.99	3,599,087.81	3,334,160.99	7.4-	14.1-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	2,216,790.00-	1,871,104.00-	2,053,234.33-	1,871,104.00-	8.9-	15.6-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	153,209.57-	118,525.62-	119,723.44-	118,525.62-	1.0-	22.6-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	258,692.70-	259,448.47-	303,872.88-	259,448.47-	14.6-	.3
8.0	CONSUMER ACCOUNTS EXPENSE.....	110,952.31-	112,960.26-	97,861.78-	112,960.26-	15.4	1.8
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	11,018.58-	15,856.11-	15,131.47-	15,856.11-	4.8	43.9
10.0	SALES EXPENSE.....	1,977.03-	16.05-	1,757.68-	16.05-	99.1-	99.2-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	158,335.29-	186,397.46-	174,810.98-	186,397.46-	6.6	17.7
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	2,910,975.48-	2,564,307.97-	2,766,392.56-	2,564,307.97-	7.3-	11.9-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	297,207.80-	300,959.75-	306,526.66-	300,959.75-	1.8-	1.3
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	3,423.00-	2,919.00-	3,229.16-	2,919.00-	9.6-	14.7-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	90,002.32-	118,602.15-	100,833.32-	118,602.15-	17.6	31.8
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	7,011.12-	6,572.00-	4,166.65-	6,572.00-	57.7	6.3-
19.0	OTHER DEDUCTIONS.....	1,108.63-	700.00-	1,064.57-	700.00-	34.2-	36.9-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	3,309,728.35-	2,994,060.87-	3,182,212.92-	2,994,060.87-	5.9-	9.5-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	572,231.43	340,100.12	416,874.89	340,100.12	18.4-	40.6-
22.0	NON OPERATING MARGINS - INTEREST.....	2,469.09	2,492.95	2,499.98	2,492.95	.3-	1.0
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	1,535.04-	2,176.30	538.03	2,176.30	304.5	241.8-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	.00	.00	8,958.30	.00	100.0-	.0
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	573,165.48	344,769.37	428,871.20	344,769.37	19.6-	39.8-
RATIOS							
TIER		7.368	3.907	5.253	3.907		
MARGINS TO REVENUE		.148	.103	.119	.103		
POWER COST TO REVENUE		.571	.561	.570	.561		
INTEREST EXPENSE TO REVENUE		.023	.036	.028	.036		
CURRENT ASSETS : CURRENT LIABILITIES		1.1979					
MARGINS & EQUITIES AS % OF ASSETS		.3383					
LONG TERM DEBT AS % OF PLANT		.5540					
GENERAL FUNDS TO TOTAL PLANT		.0676					
QUICK ASSET RATIO		.8906					



## DATA ON TRANSMISSION AND DISTRIBUTION PLANT JANUARY 2019

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	15	11	5. Miles Transmission		
2. Services Retired	15	24	6. Miles Distribution-Overhead	2,433.86	2,431.37
3. Total Services in Place	18,152	18,137	7. Miles Distribution-Underground	42.70	43.83
4. Idle Services (Exclude Seasonal)	2,763	2,864	8. Total Miles Energized (5 + 6 + 7)	2,476.56	2,475.20



March 22, 2019

At A Glance....

January

<u>kWh Sales (1/01 - 1/31)</u>		<u>Margins</u>	
Month	-5.22%	Month	\$ 344,769.37
YTD		YTD	
<u>kWh Purchases (1/01 - 1/31)</u>		<u>TIER</u>	
Month	-4.59%	Month	3.91
YTD		YTD	
<u>Line Loss</u>			
Month	6.84%		
YTD			

Fuel Adjustment 0.003506

ESC 8.42%

Degree Days 922

Heating Degree Days 922

Cooling Degree Days 0

**Notes:**

- Capital Credits
- Rate Case Update 2018-00272
-

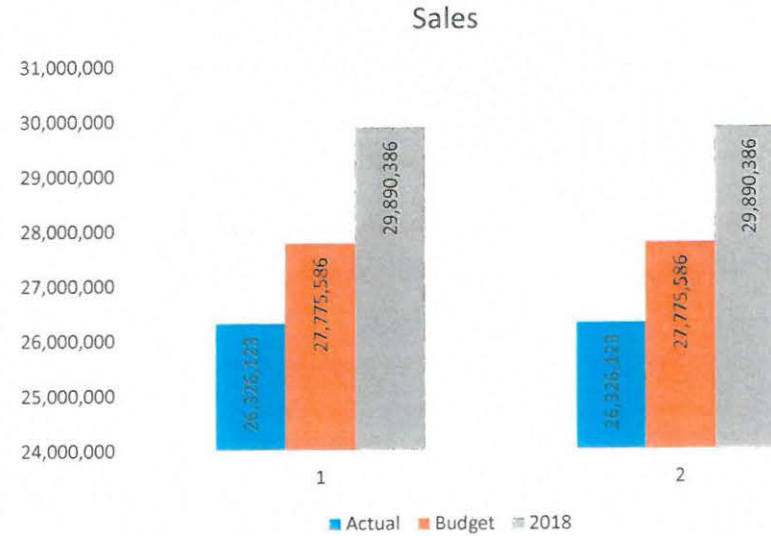




**Sales**

**January**

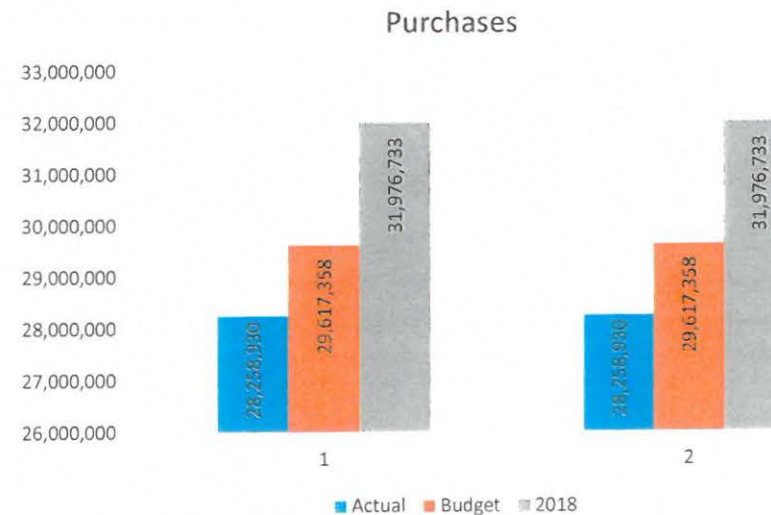
	2019	2018	2018-2016
Actual	26,326,123	29,890,386	23,764,693
Budget	27,775,586		
Difference	(1,449,463) -5.22%	(3,564,263) -11.92%	2,561,430 10.78%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	26,326,123	29,890,386	26,492,098
Budget	27,775,586		
Difference	(1,449,463)	(3,564,263)	(165,975)
% Difference	-5.22%	-11.92%	-0.63%



**Purchases**

**January**

	2019	2018	2018-2016
Actual	28,258,930	31,976,733	28,999,431
Budget	29,617,358		
Difference	(1,358,428) -4.59%	(3,717,803) -11.63%	(740,501) -2.55%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	28,258,930	31,976,733	28,999,431
Budget	29,617,358		
Difference	(1,358,428)	(3,717,803)	(740,501)
% Difference	-4.59%	-11.63%	-2.55%





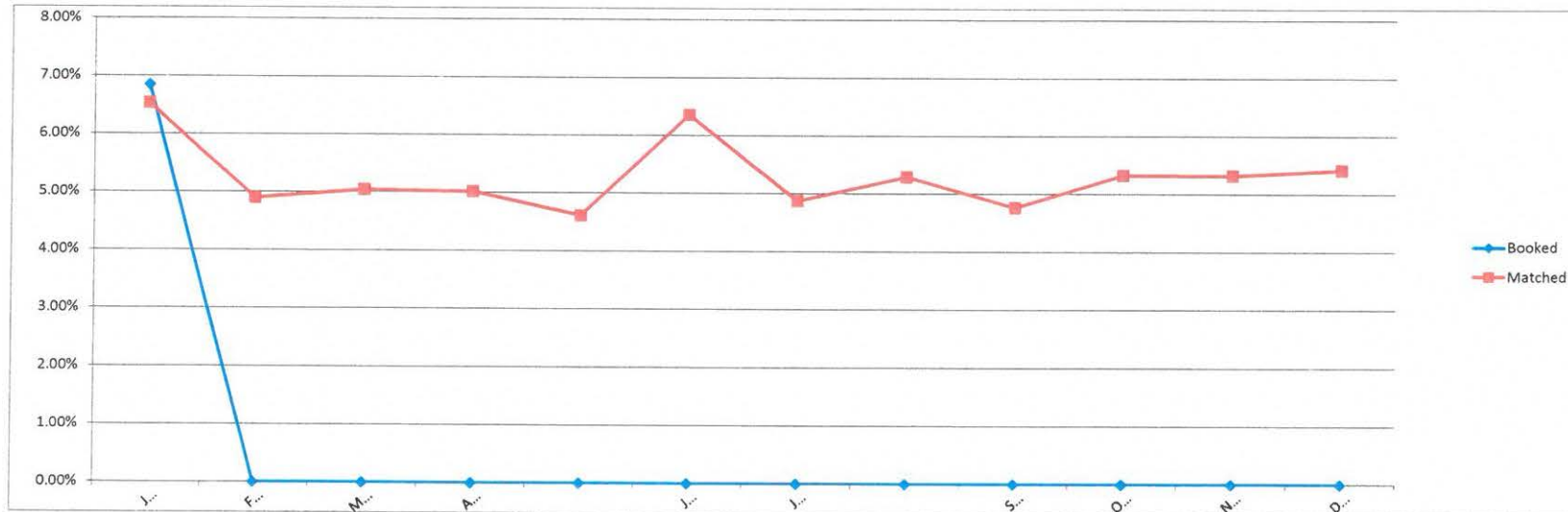
Monthly Operating Revenue & Expenses

	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019
Revenue	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)	(2,813,944)	(3,334,161)
Purchased Power	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572	1,871,104
Gross Margins	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)	(1,463,057)
Operations	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840	118,526
Maintenance	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689	259,448
Customer Service	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478	112,960
Informational Advertising	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538	15,856
Demonstration Advertising	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773	567	1,293	359	463	16
Admin & General	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431	186,397
Depreciation	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425	300,960
Regulatory	3,423	3,423	3,423	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,919
Interest - LTD	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599	111,463	111,006	118,602
Interest - Deposits	1,408	1,396	1,392	1,391	1,394	1,445	1,423	1,414	1,424	7,435	9,431	7,865	6,572
Miscellaneous Expense	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869	801	531	845	700
Interest Income	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)	(2,453)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)	(2,493)
Non-Electric Revenue	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)	(400)	(2,176)
Capital Credits	-	(2,354)	(68,289)	-	-	-	-	(35,087)	(2,274)	-	-	-	-
Margins	(573,185)	(177,210)	(483,971)	128,463	394,460	424,432	(72,750)	(227,575)	98,238	212,516	109,934	160,857	(344,769)
* ( )'s = positive margins													
Operating Expenses	1,092,938	1,043,244	1,124,476	1,128,823	1,201,963	1,099,689	1,109,213	1,106,436	1,186,054	1,149,321	1,088,915	1,160,137	1,122,957
Monthly OTIER	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.78	3.30	(0.00)	(1.16)	0.01	(0.45)	3.91
Revenue	(28,596,002)	(28,938,512)	(29,886,584)	(30,165,783)	(30,045,070)	(29,636,079)	(29,768,351)	(30,237,157)	(31,838,011)	(32,014,571)	(32,045,613)	(31,593,287)	(31,045,488)
Purchased Power	17,816,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,164,663	18,381,224	18,363,091	18,398,794	18,299,724	17,954,038
Gross Margins	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,116)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)	(13,091,450)
Operations	1,328,118	1,347,602	1,359,607	1,340,835	1,371,826	1,397,164	1,388,365	1,382,551	1,441,631	1,431,767	1,379,997	1,397,789	1,363,105
Maintenance	3,382,188	3,372,536	3,379,558	3,372,897	3,360,487	3,359,363	3,330,357	3,375,194	3,463,785	3,485,240	3,522,854	3,636,745	3,636,500
Customer Service	1,078,542	1,081,421	1,083,992	1,085,572	1,105,770	1,104,811	1,108,900	1,123,060	1,126,096	1,131,062	1,156,308	1,192,896	1,194,904
Informational Advertising	249,434	251,272	249,512	241,596	230,186	229,033	225,044	224,265	212,280	208,032	201,696	197,483	202,300
Demonstration Advertising	21,766	22,039	21,526	21,469	21,415	21,626	21,189	21,089	20,186	19,771	18,400	16,510	14,549
Admin & General	1,957,256	1,961,741	1,965,831	2,003,064	2,102,218	2,081,491	2,069,213	2,076,990	2,059,636	2,105,788	2,117,378	2,137,120	2,165,183
Depreciation	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711	3,576,075	3,580,618	3,585,984	3,589,787	3,593,539
Regulatory	41,108	41,142	41,176	41,210	41,244	39,781	38,318	36,855	35,392	33,929	34,478	35,025	34,521
Interest - LTD	982,553	996,207	1,010,095	1,041,614	1,058,893	1,071,890	1,081,503	1,094,698	1,107,891	1,122,504	1,150,073	1,177,645	1,206,245
Interest - Deposits	8,683	9,414	10,143	10,889	11,596	12,360	13,115	13,859	14,612	21,379	30,146	37,418	42,582
Miscellaneous Expense	35,746	39,893	48,372	53,634	58,349	59,248	63,865	73,842	81,631	80,183	75,752	71,812	65,800
Interest Income	(33,972)	(33,469)	(30,223)	(30,004)	(29,854)	(29,710)	(29,636)	(29,581)	(29,580)	(29,583)	(30,565)	(30,589)	(30,613)
Non-Electric Revenue	(92,008)	(82,067)	(88,429)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)	(42,923)	(46,720)	(42,836)	(46,548)
Capital Credits	(87,795)	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)	(108,004)	(108,004)
Margins	1,381,929	1,277,615	411,413	368,266	782,405	1,308,890	1,112,141	677,991	(516,118)	(610,132)	(589,039)	14,217	242,613
Operating Expense	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,092	12,992,115	13,139,176	13,220,243	13,273,058	13,489,210	13,519,228
Rolling 12 Month TIER	(0.41)	(0.28)	0.59	0.85	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99	0.80



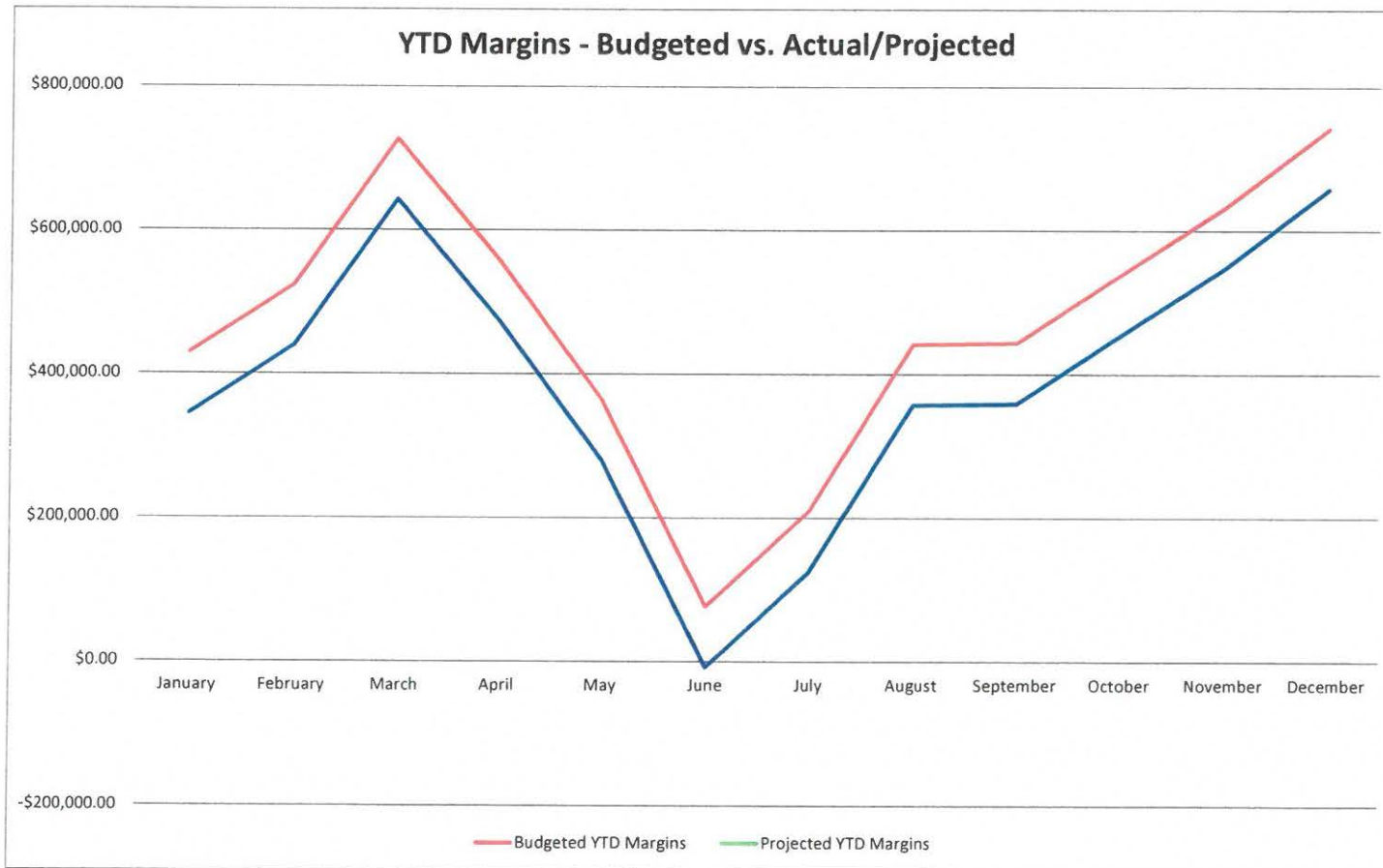


2019	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>Sales</b>	26,326,123.00												26,326,123.00
<b>2018</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	255,884,096.00
<b>Purchases:</b>													
<b>2019</b>	28,258,930.00												28,258,930.00
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	270,301,596.00
<b>kWh Loss</b>													
<b>2019</b>	1,932,807.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,932,807.00
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	14,417,500.00
<b>% Line Loss</b>													
<b>2019</b>	6.84%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	6.84%
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.33%





	2019 Monthly Margins			2019 YTD Margins			2019 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37
February	\$0.00	\$94,493.20			\$523,364.40		\$439,262.57
March	\$0.00	\$203,128.50			\$726,492.90		\$642,391.07
April	\$0.00	-\$168,845.80			\$557,647.10		\$473,545.27
May	\$0.00	-\$194,339.80			\$363,307.30		\$279,205.47
June	\$0.00	-\$286,864.80			\$76,442.50		-\$7,659.33
July	\$0.00	\$133,168.20			\$209,610.70		\$125,508.87
August	\$0.00	\$231,461.20			\$441,071.90		\$356,970.07
September	\$0.00	\$2,063.20			\$443,135.10		\$359,033.27
October	\$0.00	\$95,721.20			\$538,856.30		\$454,754.47
November	\$0.00	\$93,498.20			\$632,354.50		\$548,252.67
December	\$0.00	\$109,169.81			\$741,524.31		\$657,422.48







## Margins/Tier

### January

	2019	2018	2018-2016
Revenue	(3,334,161)	(3,881,960)	(3,343,904)
Purchase Power	1,871,104	2,216,790	2,010,349
<i>Gross Margins</i>	(1,463,057)	(1,665,170)	(1,333,555)
Operating Expenses	1,122,957	1,092,938	1,103,714
Margins	(344,769)	(573,165)	(238,187)
OTIER	3.91	7.37	3.77

### Year to Date

	2019	2018	2018-2016
Revenue	(3,334,161)	(3,881,960)	(3,343,904)
Purchase Power	1,871,104	2,216,790	2,010,349
<i>Gross Margins</i>	(1,463,057)	(1,665,170)	(1,333,555)
Operating Expenses	1,122,957	1,092,938	1,103,714
Margins	(340,100)	(573,165)	(238,187)
TIER	3.87	7.37	3.80



2019 January Bill			
	Average	HDD	CDD
1-Jan	53	12	0
2-Jan	43	22	0
3-Jan	39	26	0
4-Jan	41	24	0
5-Jan	46	19	0
6-Jan	46	19	0
7-Jan	55	10	0
8-Jan	55	10	0
9-Jan	34	31	0
10-Jan	25	40	0
11-Jan	30	35	0
12-Jan	32	33	0
13-Jan	34	31	0
14-Jan	30	35	0
15-Jan	29	36	0
16-Jan	35	30	0
17-Jan	36	29	0
18-Jan	39	26	0
19-Jan	45	20	0
20-Jan	25	40	0
21-Jan	12	53	0
22-Jan	31	34	0
23-Jan	54	11	0
24-Jan	40	25	0
25-Jan	25	40	0
26-Jan	27	38	0
27-Jan	35	30	0
28-Jan	39	26	0
29-Jan	32	33	0
30-Jan	14	51	0
31-Jan	12	53	0
	35.3	922	0

922



2018 January Bill			
	Average	HDD	CDD
1-Jan	12	53	0
2-Jan	10	55	0
3-Jan	16	49	0
4-Jan	20	45	0
5-Jan	15	50	0
6-Jan	11	54	0
7-Jan	19	46	0
8-Jan	36	29	0
9-Jan	41	24	0
10-Jan	50	15	0
11-Jan	68	0	3
12-Jan	43	22	0
13-Jan	20	45	0
14-Jan	17	48	0
15-Jan	25	40	0
16-Jan	20	45	0
17-Jan	10	55	0
18-Jan	19	46	0
19-Jan	32	33	0
20-Jan	44	21	0
21-Jan	56	9	0
22-Jan	59	6	0
23-Jan	50	15	0
24-Jan	35	30	0
25-Jan	36	29	0
26-Jan	42	23	0
27-Jan	50	15	0
28-Jan	44	21	0
29-Jan	40	25	0
30-Jan	27	38	0
31-Jan	37	28	0
	32.4	1014	3

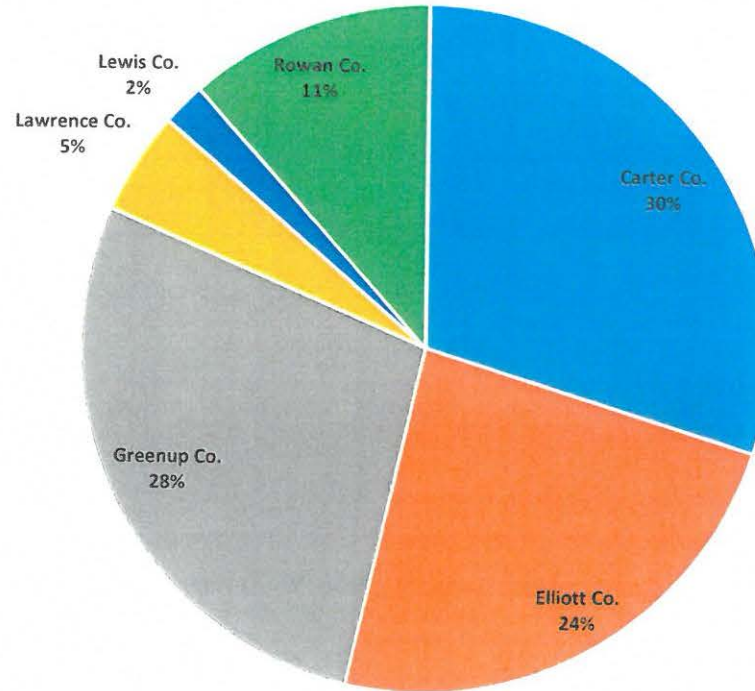
1017



**Bills by County**

	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18
Carter Co.	4,561	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590
Elliott Co.	3,616	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666
Greenup Co.	4,274	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281
Lawrence Co.	741	760	747	761	770	761	761	763	761	766	768	768	774
Lewis Co.	311	312	313	318	323	321	314	315	311	316	310	317	313
Rowan Co.	1,770	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765
	15,273	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389

**# of Bills  
January 2019**





Carter Co.



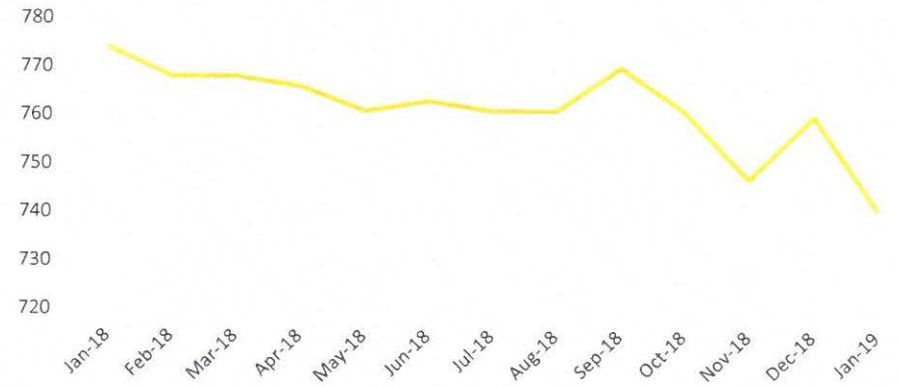
Elliott Co.



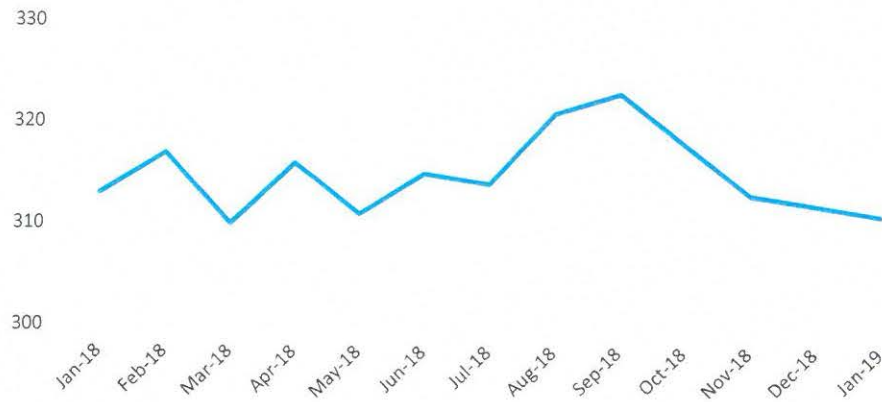
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







## REVENUE SUMMARY JANUARY 2019

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 474,652.28	\$ 8,145.86	\$ 5,479.83	\$ 13.75	\$ 2,826.48	\$ 40,830.54	\$ 531,948.74	\$ 6,525.73	\$ 1.01	\$ 11,566.48	2,442	4,147,838
\$ 394,192.64	\$ 9,532.72	\$ 10,287.76	\$ 24.75	\$ 1,162.62	\$ 34,756.42	\$ 449,956.91	\$ 4,347.12	\$ 111.02	\$ 9,398.47	2,860	3,363,735
\$ 84,889.88	\$ 1,313.29	\$ 1,452.62	\$ 5.50	\$ 675.11	\$ 7,326.12	\$ 95,662.52	\$ 1,155.66	\$ -	\$ 1,998.36	614	720,367
\$ 1,228,962.29	\$ 30,579.93	\$ 18,232.59	\$ 71.50	\$ 3,226.42	\$ 107,263.44	\$ 1,388,336.17	\$ 9,375.13	\$ 64.30	\$ 29,735.26	5,880	10,817,229
\$ -	\$ 37.64	\$ 1,326.73	\$ 2.75	\$ -	\$ 115.19	\$ 1,482.31	\$ 6.76	\$ 1.40	\$ 36.11	103	10,816
<b>\$ 2,182,697.09</b>	<b>\$ 49,609.44</b>	<b>\$ 36,779.53</b>	<b>\$ 118.25</b>	<b>\$ 7,890.63</b>	<b>\$ 190,291.71</b>	<b>\$ 2,467,386.65</b>	<b>\$ 21,410.40</b>	<b>\$ 177.73</b>	<b>\$ 52,734.68</b>	<b>11,899</b>	<b>19,059,985</b>
\$ 22,351.50	\$ 421.00	\$ 445.52	\$ -	\$ -	\$ 1,954.75	\$ 25,172.77	\$ (43.42)	\$ -	\$ 382.44	329	120,111
\$ 22,313.38	\$ 299.43	\$ 319.55	\$ -	\$ 106.63	\$ 1,924.21	\$ 24,963.20	\$ 142.77	\$ 1.77	\$ 354.14	338	119,372
\$ 22,942.35	\$ 351.64	\$ 702.97	\$ -	\$ 41.32	\$ 2,020.88	\$ 26,059.16	\$ 224.80	\$ 7.27	\$ 422.22	457	103,415
\$ 49,101.77	\$ 776.00	\$ 1,094.05	\$ -	\$ 64.73	\$ 4,287.79	\$ 55,324.34	\$ 232.03	\$ 209.98	\$ 1,265.34	873	238,351
\$ 7,868.94	\$ 121.32	\$ 213.84	\$ -	\$ 20.66	\$ 689.60	\$ 8,914.36	\$ 59.25	\$ 38.23	\$ 151.31	139	38,651
\$ 971.96	\$ 14.56	\$ 39.09	\$ -	\$ -	\$ 86.33	\$ 1,111.94	\$ 1.18	\$ -	\$ 29.65	22	4,152
\$ 1,452.65	\$ 21.19	\$ 66.65	\$ -	\$ -	\$ 129.67	\$ 1,670.16	\$ 8.89	\$ -	\$ 39.74	34	6,042
<b>\$ 127,002.55</b>	<b>\$ 2,005.14</b>	<b>\$ 2,881.67</b>	<b>\$ -</b>	<b>\$ 233.34</b>	<b>\$ 11,093.23</b>	<b>\$ 143,215.93</b>	<b>\$ 625.50</b>	<b>\$ 257.25</b>	<b>\$ 2,644.84</b>	<b>2,192</b>	<b>630,094</b>
\$ 176,231.86	\$ 5,125.61	\$ 3,360.06	\$ 2.75	\$ -	\$ 15,552.37	\$ 200,272.65	\$ 936.74	\$ 8,355.05	\$ 5,022.30	939	1,469,703
\$ -	\$ 6.08	\$ 293.40	\$ -	\$ -	\$ 25.24	\$ 324.72	\$ 6.72	\$ 15.89	\$ 9.41	8	1,741
\$ 26,954.66	\$ 800.60	\$ 1,589.51	\$ -	\$ -	\$ 2,470.80	\$ 31,815.57	\$ 7.09	\$ 609.95	\$ 722.09	154	228,403
<b>\$ 203,186.52</b>	<b>\$ 5,932.29</b>	<b>\$ 5,242.97</b>	<b>\$ 2.75</b>	<b>\$ -</b>	<b>\$ 18,048.41</b>	<b>\$ 232,412.94</b>	<b>\$ 950.55</b>	<b>\$ 8,980.89</b>	<b>\$ 5,753.80</b>	<b>1,101</b>	<b>1,699,847</b>
\$ 185,921.58	\$ 7,286.05	\$ 950.91	\$ -	\$ -	\$ 16,348.17	\$ 210,506.71	\$ (34.87)	\$ 7,227.87	\$ 5,167.42	69	2,078,179
\$ 56.25	\$ 0.28	\$ -	\$ -	\$ -	\$ 4.76	\$ 61.29	\$ -	\$ 3.68	\$ -	1	80
\$ 46,588.51	\$ 1,755.39	\$ 476.07	\$ -	\$ -	\$ 4,110.63	\$ 52,930.60	\$ -	\$ -	\$ 1,587.92	8	500,684
<b>\$ 232,566.34</b>	<b>\$ 9,041.72</b>	<b>\$ 1,426.98</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,463.56</b>	<b>\$ 263,498.60</b>	<b>\$ (34.87)</b>	<b>\$ 7,231.55</b>	<b>\$ 6,755.34</b>	<b>78</b>	<b>2,578,943</b>
\$ 142,664.14	\$ 8,251.18	\$ 28.94	\$ -	\$ -	\$ 12,709.51	\$ 163,653.77	\$ -	\$ 5,736.37	\$ 4,909.62	2	2,353,447
<b>\$ 142,664.14</b>	<b>\$ 8,251.18</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,709.51</b>	<b>\$ 163,653.77</b>	<b>\$ -</b>	<b>\$ 5,736.37</b>	<b>\$ 4,909.62</b>	<b>2</b>	<b>2,353,447</b>
\$ -	\$ 13.35	\$ 609.10	\$ -	\$ -	\$ 52.41	\$ 674.86	\$ -	\$ -	\$ 20.25	1	3,807
\$ -	\$ 13.35	\$ 609.10	\$ -	\$ -	\$ 52.41	\$ 674.86	\$ -	\$ -	\$ 20.25	1	3,807
<b>\$ 2,888,116.64</b>	<b>\$ 74,853.12</b>	<b>\$ 46,969.19</b>	<b>\$ 121.00</b>	<b>\$ 8,123.97</b>	<b>\$ 252,658.83</b>	<b>\$ 3,270,842.75</b>	<b>\$ 22,951.58</b>	<b>\$ 22,383.79</b>	<b>\$ 72,818.53</b>	<b>15,273</b>	<b>26,326,123</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 95,202.32</b>		
<b>TOTAL REVENUE</b>							<b>\$ 3,388,996.65</b>				



**JANUARY 2019**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		36		324.36	(324.36)	
100	NEW LINE EXTENSIONS		11		47,828.77	47,828.77	4,348.07
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		4,255.51	4,255.51	2,127.76
603	SECTIONALIZERS		3		3,425.30	3,425.30	
604	REGULATORS						
606	POLES		23	POLES	124,884.04	124,884.04	5,429.74
608	CONDUCTOR CHANGE		2	**	(894.54)	(894.54)	
701	SECURITY LIGHTS		54		39,985.69	39,985.69	740.48
1600	MINOR PROJECTS		7		8,889.96	8,889.96	
	TOTAL		138		228,699.09	228,050.37	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	2		2,343.48	2,343.48	1,171.74
	METERS	370.00	36		11,558.08	11,558.08	321.06
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	TOTAL		38		13,901.56	13,901.56	
	MATERIAL				28,620.66		
	MATERIAL OH				46,959.26		
	LABOR				22,920.48		
	LABOR OH				51,009.96		
**Re-opened the Corral Park Jobs that closed in December to correct a duplication. The amount shown is the difference in the job costs after the corrections.							



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On April 26, 2019 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the March 2019 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Consider the election of a Grayson RECC Board Member as a representative to the East Kentucky Power Board.
8. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for February 2018 – Bradley Cherry, Manager of Finance & Accounting
9. Cooperative Legal Matters – Derrick Willis
10. Manager of Technical Services Report – Brian Poling
11. Member Services Report – Sherry Conley
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of seventy-six (76) New Memberships and Retirement of ninety-three (93) Existing Memberships for March 2019
14. Consider Approval of Accounts to be Charged Off to Reserve \$3,733.03
15. Consider Approval of President's Business Expense in the Amount of \$484.32, Director's Business Expense in the Amount of 5,162.59 and Attorney's Business Expense in the Amount of 1,187.83
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Any Meetings Held
19. Confirm Date for Future Board Meeting – Friday, May 24, 2019
20. Additional Business
21. Adjourn



On March 22, 2019 at 9:03 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors present. Director Arrington was not present. Others present included: Carol Hall Fraley, President and CEO; Derrick Willis of Willis Law Office, Kim Bush, Manager of Marketing & Member Services and Bradley Cherry, Chief Financial Officer.

INVOCATION Director Harold Dupuy gave the invocation.

APPROVAL OF MINUTES Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the minutes from the February 2019 Board Meeting.

PRESIDENT'S REPORT President Fraley reported on the following:

BYLAWS/BOARD POLICIES President Fraley discussed the proposed changes to the Bylaws concerning the Board of Directors' election process. There are changes that need to be corrected according to the current way we are electing directors.

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to table the decision on the changes for Article IV, Section 2. Chairman Dupuy directed President Fraley to keep this on the agenda until it is resolved.

Motion was made by Director Martin and seconded by Director Bentley and unanimously agreed to approve the changes to Article IV, Sections 1 & 3, as presented.

#### ARTICLE IV

#### BOARD MEMBERS

**SECTION 1. GENERAL POWERS.** The business and affairs of the Cooperative shall be managed by a board of not less than 5 for more than 7, members, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or those bylaws conferred upon or reserved to the members. (Amended 3/22/19)

**SECTION 3. QUALIFICATIONS.** Any person who desires to be eligible to become or remain a board member of the Cooperative must:

- (a) be a member of the Cooperative;
- (b) be a natural person;
- (c) reside on Grayson RECC lines in the county from which he or she is seeking election and be a resident of that county as of January 1 of the year in which he or she is seeking election and remain a member and resident of that county for the entire length of his or her term. (Amended 3/22/19)
- (d) not be in any way, employed by the Cooperative nor in the past have been employed by the Cooperative, nor financially interested in a competing enterprise or a business selling electric energy, or business primarily



- engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (e) not be a close relative of an incumbent director or of an employee of the Cooperative. A "close relative" is defined as either a spouse, child, parent, brother or sister of the principal;
  - (f) be of the age of majority as determined by the law of the Commonwealth of Kentucky;
  - (g) not be employed by East Kentucky Power Cooperative, or any member Cooperative of East Kentucky Power Cooperative or a competing utility company;
  - (h) not holding an elective public office of any governmental body or political subdivision thereof for which he or she shall receive a salary for serving; (Amended 09/27/96) (Amended 07/23/10)
  - (i) sign and acknowledge receipt of an agreement with the Cooperative's Confidentiality and Non-Disclosure Agreement; (Amended 7/22/11)
  - (j) be required to and therefore able to represent the membership on an impartial basis for the good of and in the best interests of the COOPERATIVE while meeting the standards set forth in the Cooperative's Administrative Guidelines regarding good credit and having no more than two (2) delinquent payments during the past year and not being on the delinquent list at all with no returned checks. (Amended 07/22/11)

Notwithstanding the foregoing provisions of (c) above regarding close relative relationships, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he/she becomes a close relative of another incumbent director or of a cooperative employee because of a marriage to which he was not a party.

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such board member from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board. (Amended 1/26/96)

## **BOARD POLICY 110**

President Fraley discussed the changes in Board Policy 110 Section C Active Directors, Attorney and Dependents.

The sentence "Medical insurance coverage for the Attorney and his family shall be a part of his contract with the Cooperative" was discussed. That sentence was stricken from Policy 110 by motion from Director Martin and seconded by Director Trent and unanimously agreed.

The corrected policy is below:

### **BOARD POLICY NO. 110**

**SUBJECT: COMPENSATION, EXPENSES AND TRAVEL OF DIRECTORS**

#### **I. OBJECTIVE**



To ensure that Directors of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION are fairly compensated for their efforts on behalf of the Cooperative.

## II. POLICY

### A. Per Diem and Travel

1. Directors shall, as determined by resolution of the Board of Directors, receive on a per diem basis a fixed fee for attending meetings of the Board of Directors. If a Director is unable to attend a regularly scheduled meeting or a specially called meeting due to circumstances beyond his/her control such as jury duty or a family medical emergency. It must be recognized that a board member would have invested time toward the studying and preparation of board meeting material for the subsequent meeting. Therefore, he or she shall be compensated up to two times per year under such circumstances. If a Director chooses to be absent for any other reason, compensation will not be paid.

2. Attendance at meetings other than regular monthly board meetings requires the prior approval of the Board.

3. Directors shall observe the following guidelines when determining representation of the Cooperative at necessary functions.

A. All Directors are eligible to attend the NRECA Annual Meeting, NRECA Region II & III Meeting, KAEC Annual Meeting, and EKP Annual meeting and any other meeting to which the Chair shall appoint them to attend as a representative of the Cooperative.

B. Directors may choose 10 optional days of meetings or classes per year that will strengthen their ability to serve the Cooperative in an effective manner. Travel time to and from meetings will count as optional days. Every effort will be made to insure that the Cooperative is represented at a wide variety of functions to utilize information and technologies available to us.

C. Directors who are seeking Board Certification will be encouraged to do so as quickly as their personal schedules permit. Additional certification is also encouraged, but requires prior approval of the Board.

D. Directors may, from time to time, be called upon or appointed by the Chair to attend

additional functions as a representative of the full Board.

4. Directors will receive a per diem for (1) day each of travel time, both before and after the meeting(if necessary), a total of two (2) days per diem allowed for travel.

**B. Travel and Out-of-Pocket Expenses**

1. Directors shall be issued a VISA from the Rural Cooperatives Credit Union, in their name and the name of Grayson Rural Electric Cooperative for the purpose of travel expenses for approved meetings or while acting on behalf of the Cooperative. Directors will be responsible for keeping itemized receipts for any VISA purchase, and presenting them to the Cooperative Purchasing Agent or Administrative Assistant as soon as practical after said meeting. Any and all necessary and reasonable incurred expenses in the performance of their duties shall be paid as approved.

2. Normal expenses incurred during travel time will be paid by the Cooperative but the per diem for travel is limited to the two (2) days stated above. Itemized receipts for out of pocket expenses must be presented for reimbursement and approval.

3. Prior approval of the Board is required in the event of a spouse of a Director (or in specific cases, an employee) attending an official function on behalf of the Cooperative. In those cases, expenses incurred by him/her shall be paid by the Cooperative.

**C. Insurance Compensation**

**Active Directors, Attorney and Dependents**

**MEDICAL INSURANCE**

Active Directors and their Dependents are entitled to medical insurance coverage under the current plan carried by the Cooperative in the capped amount of \$814.80 per month for a family plan or \$327.24 for a single participant. If a Director or their Dependents participate in the medical insurance program, any increase in premiums as of January 1, 2002 will be paid by the participant.

If a director leaves the board for any reason, he/she and his/her dependents forfeit paid medical insurance coverage.

#### **CASH IN LIEU OF INSURANCE**

Active Directors may elect to receive cash in lieu of insurance at the rate of \$637.63.

#### **WHEN A DIRECTOR LEAVES THE BOARD**

If a Director leaves the Board for any reason he/she can voluntarily purchase medical insurance coverage at the rate charged by the insurance carrier. This shall also apply to spouses and dependents. In the event of the death of a Director, spouses and dependents will still be eligible to purchase medical insurance, at the rate being charged by the insurance carrier and in accordance with COBRA .

Certain Directors are exempt from this policy due to Board action taken January 2000. A list of those exempted is a part of the minutes of the November 2001 Board meeting.

#### **Past Directors and Dependents**

If a Director leaves the Board for any reason, he/she can voluntarily purchase medical insurance coverage at the rate charged by the insurance carrier. Spouses and dependents are also eligible to purchase medical insurance coverage. No cash in lieu of insurance will be paid for any reason after a Director leaves the Board with the exception of those Directors who were exempted by Board action January 2000. A list of those exempted is a part of the minutes of the November 2001 Board meeting.

If a past Director returns to the board for any reason, he or she will be considered a new director. He or she will be eligible for medical insurance benefits only as long as they serve on the Board. Once they leave the Board of Directors for any reason, they are not eligible to receive any medical benefits as outlined above.

#### **D. Other Compensation**

1. Directors will not receive compensation for serving the Cooperative in any other capacity, unless the employment or the service of such Director is temporary and shall be specifically authorized by a vote of the Board upon their resolved determination that such was an emergency measure; provided, that a Director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

### III. RESPONSIBILITY

**It shall be the responsibility of the Chairman of the Board of Directors to see that this policy is adhered to.**

The Board also considered Policy 202, Authorized Check Signatures. Upon the disability retirement of Priscilla Sparks, it has become necessary to add Kim Bush to the signatory card, as she assumes Ms. Sparks' responsibilities. President Fraley also requested that we add Assistant Manager of Operations to sign checks as an extra signatory within this policy.

The policy is below:

#### **BOARD POLICY 202**

#### **SUBJECT: AUTHORIZED CHECK SIGNATURES**

##### **I. OBJECTIVE**

**To authorize signatories for checks drawn against the Cooperative's accounts, to maintain effective financial control, and meet the requirements of the lending and regulatory agencies.**

##### **II. CONTENT**

###### **A. All checks must have two signatures, as follows:**

###### **1. Authorized signatories for General Operating Funds and Payroll include:**

**President & CEO  
Manager of Operations  
Assistant Manager of Operations  
Manager of Finance & Accounting  
Executive Assistant**

- B. The authorized signatures required for construction funds/trustee accounts are the Chairman of the Board and Treasurer of the Board. Use of the facsimile signature plate is not permitted. The authorized signatures required for capital credit refund checks are the President & CEO, Manager of Finance & Accounting, and or Executive Assistant. In case of a large number of Capital Credit Retirement checks, electronic signatures will be used.**

##### **III. RESPONSIBILITY**

- A. It shall be the responsibility of the President & CEO to establish procedures and controls to ensure the prompt and orderly payment of obligations of the Cooperative and to make sure that adequate controls and safeguards have been established to assure the disbursement and utilization of funds only for proper corporate purposes.**
- B. It is the responsibility of the check signatory to make sure all checks have documentation containing the required approvals.**

- C. **The President & CEO will review and personally approve a register of checks he/she does not personally sign.**
- D. **The Board must approve in monthly board minutes any change or addition to signatories. A copy of that portion of the minutes must be presented to the Cooperative's financial institution and new signature cards must be signed by each designated person.**

Following discussion, motion was made by Director Whitt, seconded by Director Martin to remove Priscilla Sparks from the signatory card and add Kim Bush and Mike Martin. Motion carried unanimously.

The First National Bank has requested a copy of the excerpt from our board minutes whereby these changes were made. When a copy of that portion of the minutes has been received by the bank, Kim Bush and Mike Martin will be required to sign the signature cards.

**BOARD POLICY NO. 515**

Board Policy 515, has not been revised since 2011 and contains no language about employees who retire on disability. Following discussion, the policy has been changed to say:

**BOARD POLICY NO. 515**

**SUBJECT: POLICY ON RETIREMENT AWARDS**

**I. OBJECTIVE**

**It is the intent and desire of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION to honor retiring employees or those employees who are leaving on disability after 25 or more years of service who have reached retirement eligibility.**

**II. POLICY CONTENT**

1. **Upon the retirement or disability (after 25 years of service) of an employee who has reached retirement age GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, will pay \$250.00 for a retirement gift. If an employee has worked over 25 years, \$10.00 per year of service can be spent for an appropriated retirement gift. The price of the gift will be paid from Account No. 926. A luncheon or dinner will be held in the retiree's honor, paid for by the Cooperative, and will be scheduled as close to the actual retirement date as possible. The retiree's immediate family will be invited. Cost of the retirement luncheon or dinner shall not exceed \$15.00 per person.**
2. **A public reception will be held for employees who retire with 25 or more years of service, if the retiree agrees.**



### III. RESPONSIBILITY

#### **Executive Assistant and the Manager of Member Services**

Motion made by Director Whitt, seconded by director Martin and unanimously agreed to approve the changes to Board Policy 515.

PRISCILLA SPARKS

Priscilla Sparks will retire from the cooperative after 30 years of service on Long Term Disability. President Fraley announced that Kim Bush has been named Executive Assistant and will continue to take care of Public Relations for the cooperative. Sherry Conley was promoted to Member Services Supervisor and Tina Preece will be Member Services Advisor. Both Sherry & Tina will help within Member Services as well as the other three Member Services Representatives.

DUSTIN SIMS

For informational purposes, President Fraley discussed the request of Mr. Dustin Sims to build a runway that would require Grayson RECC to retire several poles and lines to accommodate his request. He doesn't want to pay for anything. A rough estimate for the cost of what he wants done is \$33,645.49 plus a markup of \$20,000. Any unused portion of the Advance For Construction would be refunded.

JOE MAUK

Mr. Mauk met with President Fraley concerning a piece of property in Greenup County where the lines were retired in 2012. He has a buyer for the property and we have given Mr. Mauk a cost estimate to extend new lines to the house site.

RATE CASE UPDATE

President Fraley and Bradley Cherry provided an update on the current rate case, including the answers to the questions that the PSC and the Attorney General has requested.

ATTORNEY WILLIS' REPORT

Attorney Willis reported on the following:

Triple J Farm Bankruptcy—He has filed a proof of claim but after speaking to the trustee, he does not anticipate any assets available after filing bills. After the auction, they do have to notify us if there are assets available.

Tennessee Gas Pipeline easement—They need to sign our easement.

Windstream Bankruptcy—KEC has hired legal counsel to from the southern district of New York to work on behalf of the cooperatives in Kentucky concerning this bankruptcy.

Galen Conley—He just received notice of a foreclosure and we were named as an indispensable party.

KEC DIRECTOR'S REPORT

Director Whitt reported the following on the KAEC Board Meeting:

Paul Hawkins was seated on the KEC board. They were satisfied with the net metering bill that passed during the recent session. They are working on the

streamline rate case option. It was also brought out that there are some new fraudulent checks being sent from Warren RECC and also there were some security breaches both at Warren RECC and KEC recently.

EKPC DIRECTOR

President Fraley reported on the EKPC board meeting in the absence of Director Arrington. She reported:

EKPC made double what they had anticipated in margins and were still over cost to member systems for the month. They were bragging on their lobbyists for getting things done during the session. She spoke with Chairman Spaulding concerning Director Arrington's absence. He assured her that Mr. Arrington would be considered excused. She also told him that Grayson has no plans for change until Director Arrington informs the board.

FINANCIAL & STATISTICAL  
REPORT FOR JANUARY  
2019

Bradley Cherry, CFO, presented the Financial & Statistical Report for for January 2019:

Kilowatt hour sales for the month of January were down 5% less than budget. Purchases for the month of January were down 4.6% under budget. Line loss for January 6.84%. We have positive margins of \$344,769.37 which translates a T.I.E.R. of 3.91.

T.I.E.R.

January 2019's monthly T.I.E.R. was 3.91 with the rolling 12 month T.I.E.R. at .8.

FUEL ADJUSTMENT

The fuel adjustment for January was (.003506).

ESC

The environmental surcharge was 8.42%.

DEGREE DAYS

There were 922 degree days and all were heating degree days.

Sales were down almost 12% compared to 2018.

Purchases were down from last year 11.63%.

Operating Revenue and Expenses:

Revenues for the month were at \$3.3 million. Our purchased power cost were \$1.87 million which translated to gross margins of \$1.463 million. Our operating expenses were at \$1.122 which left us with \$344,769 margins.

BILLS

We mailed 15,273 bills for the month of January. Compared to January 2018, we have 116 fewer bills.

Bradley reviewed Form 219. We had 36 retirements in January, extended 11 new lines, had 2 service upgrades, 3 Sectionalizers, changed 23 poles, 2 conductor changes, 54 security lights, and completed 7 minor projects. These items cost \$228699.09 and \$228699.09 was taken from loan funds. We also purchased 2 transformers and 36 meters that cost \$27,527.70.

CAPITAL CREDITS

28 Capital Credits checks were mailed in February in the amount of \$30,973.74.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR JANUARY 2019

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for January 2019 as presented, for informational purposes only.

MANAGER OF  
TECHNICAL SERVICES

Brian Poling, Manager of Technical Services reported on the following: He has begun work on the Work Plan. He will meet with Mike Norman next week. There are two linemen going through the classes to use the drones. We have received the second drone. Most of his time has been consumed with the deployment of the new metering system. He presented a slideshow to show the way the new meters are being deployed and how they are working.

We have sold some of our old meters. Two cooperatives inquired about the newer meters that we had in stock. The cooperative in Tennessee purchased around 300 meters due to extensive flooding that they experienced. We were able to sell them for around 70% of our purchase price. This is a good price because the market is flooded at this time with meters.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services reported on the following:

LIHEAP

We have received \$202,448.83 in payments from all LIHEAP agencies through the end of February.

PREPAY

We have 799 Pre Pay active accounts and 4 inactive accounts. 3,929 payments were made in 30 days with an average of \$44.17 per payment.

Tina has been busy with energy audits. She has had requests for 18 energy audits this month and two Button-Up Projects, and a commercial lighting in progress.

WASHINGTON YOUTH TOUR

There were three students (1 from Greenup County and 2 from Elliott County that attended the Frankfort Youth Tour in March. All 3 girls were interested in attending the Washington Youth Tour in June. We normally send 2 students.

Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve sending three students to the Washington Youth Tour in June, as presented.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:



**JOBS BUILT** Construction built on hundred thirty-eight (138) new work orders (including 11 services added and 24 services retired) for the month of January and worked zero (0) hours of overtime.

**DELINQUENT NOTICES** There were 135 delinquents for March. Sixty-five (65) cards were issued to be disconnected. 6 accounts were disconnected by remote on March 7, cycle 1. Fifty-eight (58) cards were issued and 6 accounts were disconnected by remote meter on March 14 for cycle 2. Field personnel disconnected a total of 19 meters and a total of 15 meters were reconnected by field personnel and remote.

**OVERTIME HOURS** The Maintenance Department worked four hundred thirty-nine (439) hours of overtime; Maintenance worked one hundred seventy-seven (177) work order overtime hours. The Engineering Department worked seventeen (17) hours of overtime.

**CONTRACT CREWS** We have one (1) Pike crew working. Ryan Kitchen is working on coordination and pole changes in various counties.

**RIGHT-OF-WAY CREWS** We have ten (10) W. A. Kendall right-of-way crews working on random jobs. Crew's trimmed 755 trees, cut 1,135 trees, cut 24,650 feet of brush/line and sprayed 0 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis, & Greenup Counties
- 1 cutting crew in Rowan County
- 2 cutting crews in Lawrence and Elliott County
- 1 bucket truck crew in Carter, Lewis, & Greenup counties
- 1 bucket truck crew in Rowan County
- 1 bucket truck crew in Elliott County
- 1 tractor crew in Carter County
- 2 Spray Crews in Elliott County
- 1 Smith Tree Service, Circuit Crew on Rt 32, Lawrence County

**EMPLOYEE/LOST TIME ACCIDENT** There were no lost time accidents to report this month.

**SAFETY REPORT** The regular Monday morning safety meetings were held by various staff members of Grayson Rural Electric.

February 4, 2019, Carol Fraley, President & CEO, was in charge of meeting. She passed out a quiz on How Well Do You Know Our Territory. There were several fun facts about our area that everyone discussed.

February 13, 2019, Mike Martin, Assistant Manager of Operations, was in charge of meeting. Charlie Lewis from KEC was the guest speaker. He discussed a few accidents from this year. He showed a PowerPoint on working on or near energized lines and equipment.

February 18, 2019, Andrea McCleese, IT Supervisor, was in charge of meeting. Harold Dupuy was the guest speaker and he spoke on The Cost of

Safety. He went over some accidents that happen to him and another man when he worked the Brick Yard in South Shore. He stated sometimes the cost does not measure in dollars and cents. It can be emotionally, physically, and time away from family, and the biggest cost is your life. Carol Ann Fraley announced promotions to Scott McGuire, Meterman First Class, Justin Staniford, First Class Lineman, Caitlin Sexton, Division Assistant of Accounting and Finance, and Amber Weddington our new Member Service Representative. Carol Ann also requested everyone to be careful and stay safe.

February 25, 2019, meeting was cancelled due to the windstorm.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

#### ENGINEERING REPORT

The Engineering Department released four hundred twenty-seven (427) prints consisting of 6,977 feet of primary line and 2,710 feet of service wire.

They currently have two (2) new services to be staked and two (2) to be drawn. There are six (6) miscellaneous jobs to be staked or drawn.

#### APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve seventy (70) new memberships and retirement of sixty-five (65) existing memberships for February 2019.

#### BAD DEBT WRITE-OFFS

Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to charge off \$2,982.76 worth of bad debts and turn them over for collection.

#### APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES

Motion was made by Director Trent seconded by Director Martin and unanimously agreed to approve the President's business expense of \$610.68, Director's business expenses of \$10,904.69, and Attorney's business expense of \$161.15.

#### DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Elliott County 4-H Camp	\$200
Greenup County High School Baseball Sign Renewal	\$200
West Carter High School Baseball Club Sign Renewal	\$100
Grayson Meals on Wheels	\$100
Carter County Thunder	\$250
Environmental Field Day-Elliott Co	\$50
Greenup County Park and Fair Board (Kids in the Races)	\$500
Neighbors Helping Neighbors	No
Sarah's Place	\$100
Total	\$1,500

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

ATTENDANCE TO MEETINGS Region 2 & 3 Meeting will be in Louisville at the Galt House on October 8-10, 2019. We will need to reserve rooms early. Jimmy Whitt, Harold Dupuy, Jim Bentley and Roger Trent plan to attend at this time.

Robert Brown	Milsoft training in April
Director's Summer School	Williamsburg, VA, June 7-12
Sherry Conley	Supervisor Training at KEC in April
Brian, Steve, Scott & Andrea	Landis & Gyr in June.
Justin Staniford	Hot-line Skills workshop

BOARD MEETING DATE The March Board Meeting will be held on Friday, April 26th<sup>nd</sup> at 9:00 a.m.

ADDITIONAL BUSINESS There was no additional business to bring before the Board of Directors.

ADJOURN Motion to adjourn the meeting by Director Whitt.  
Chairman Dupuy adjourned the meeting at 11:44a.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer































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**President & CEO's Expenses**  
February-19

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<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
2/19/2019	176651	CEO Verizon Charges	\$ 55.35
2/28/2019	176912	XM Satellite Radio Subscription	\$ 168.74
2/28/2019		Credit-CEO OnStar Services	\$ (106.87)
2/28/2019	176912	Annual OnStar Services	343.12
2/28/2019	176912	Meal-AMI Metering Mtg	\$ 23.98
2/28/2019	176912	Meal-Rate Discussion on 1/21	20.03
2/28/2019	176912	Meal-GRECC Board Meeting	10.98
		Total CEO Expenses	\$ 484.32



**DIRECTORS & ATTORNEY EXPENSES****February-19****KENNETH ARRINGTON**

<b>Per Diem</b>	- GRECC Bd. Mtg. (2/18)	\$	346.40
<b>MISC</b>	-		0.00
<b>VISA</b>	-		-
<b>NRECA</b>	-		-
<b>KAEC</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 – Hr. Insurance		0.49
<b>TOTAL</b>	-	<b>\$</b>	<b>984.52</b>

**JIM BENTLEY**

<b>Per Diem</b>	- GRECC Bd. Mtg. (2/18)	\$	301.16
<b>MISC</b>	- Lunch GRECC Bd Mtg. (1/25)		10.98
<b>VISA</b>	-		-
<b>NRECA</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24-Hr. Insurance		1.08
<b>TOTAL</b>	-	<b>\$</b>	<b>950.85</b>

**HAROLD DUPUY**

<b>Per Diem</b>	- GRECC Bd. Mtg. (2/18)	\$	334.80
<b>MISC</b>	- Refund Registration NRECA Annual Mtg.		(650.00)
<b>VISA</b>	- CFC Mtg. (1/24)		237.17
<b>NRECA</b>	-		-
<b>KAEC</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24-Hr. Insurance		0.70
<b>TOTAL</b>	-	<b>\$</b>	<b>560.30</b>

**EDDIE MARTN**

<b>Per Diem</b>	- GRECC Bd. Mtg. (2/18)	\$	309.28
<b>MISC</b>	- Lunch GRECC Bd. Mtg. (1/25)		10.98
<b>VISA</b>	-		-
<b>NRECA</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 – Hr. Insurance		1.08
<b>TOTAL</b>	-	<b>\$</b>	<b>958.97</b>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (2/18)	\$	340.60
<b>MISC</b>	- Lunch GRECC Bd. Mtg. (1/25)		10.98
	Refund Registration NRECA Annual Mtg.		(650.00)
<b>VISA</b>	-		-
<b>NRECA</b>	-		-
<b>KAEC</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 – Hr. Insurance		0.49
<b>TOTAL</b>	-	<b>\$</b>	<b>339.70</b>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (2/18)	\$	324.36
<b>MISC</b>	- CFC Mtg. (1/24)		18.27
<b>VISA</b>	- CFC Mtg. (1/24)		237.17
	KAEC Bd. Mtg. (1/21-22)		149.74
<b>NRECA</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 – Hr. Insurance		1.08
<b>TOTAL</b>	-	<b>\$</b>	<b>1,368.25</b>

**JEFF SCOTT**

<b>Per Diem</b>	-		-
<b>MISC</b>	- Background Check (Amber Weddington)	\$	65.45
	Credit (Easements)		(49.50)
<b>VISA</b>	-		-
<b>Excess Hrs</b>	-		-
<b>Out-of-Pocket</b>	-		-
<b>NRECA</b>	-		-
<b>TOTAL</b>	-	<b>\$</b>	<b>15.95</b>

**WILLIS LAW OFFICE**

<b>Per Diem</b>	-		-
<b>MISC</b>	- PSC Hearing & Mileage	\$	1,171.88
<b>VISA</b>	-		-
<b>Excess Hrs</b>	-		-
<b>Out-of-Pocket</b>	-		-
<b>NRECA</b>	-		-
<b>TOTAL</b>	-	<b>\$</b>	<b>1,171.88</b>





























PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS			
1.0	TOTAL UTILITY PLANT IN SERVICE	79,888,115.59	30.0	MEMBERSHIPS	154,105.00-
2.0	CONSTRUCTION WORK IN PROGRESS	416,496.88	31.0	PATRONAGE CAPITAL	25,505,583.19-
3.0	TOTAL UTILITY PLANT	80,304,612.47	32.0	OPERATING MARGINS - PRIOR YEAR	967,757.61-
4.0	ACCUM PROV FOR DEP & AMORT	25,433,652.37-	33.0	OPERATING MARGINS-CURRENT YEAR	587,730.66-
5.0	NET UTILITY PLANT	54,870,960.10	34.0	NON-OPERATING MARGINS	38,783.86-
			35.0	OTHER MARGINS & EQUITIES	194,750.64
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	27,059,209.68-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	16,757,751.92	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	634,222.31	38.0	LNG-TERM DEBT-FFB-RUS GUAR	28,218,308.89-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	16,182,130.40-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	17,392,072.88	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	44,400,439.29-
15.0	CASH - GENERAL FUNDS	321,683.45			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,188,257.59-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,188,257.59-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	3,394,935.00	47.0	NOTES PAYABLE	570,000.00-
21.0	ACCTS RECV - OTHER (NET)	198,984.15	48.0	ACCOUNTS PAYABLE	1,894,784.78-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,189,734.99-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	1,477,791.97	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	369,580.62	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	11,979.05	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	5,774,954.24	53.0	OTHER CURRENT & ACCRUED LIAB	945,084.05-
			54.0	TOTAL CURRENT & ACCRUED LIAB	4,599,603.82-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,294,425.65	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	84,902.49-
29.0	TOTAL ASSETS & OTHER DEBITS	79,332,412.87	57.0	TOTAL LIABILITIES & OTH CREDIT	79,332,412.87-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	8,654.14
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	8,654.14

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

*Bradley Cherry*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Court Hill Daily*  
SIGNATURE OF MANAGER

04/09/19  
DATE

04/10/19  
DATE



GRAYSON  
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT  
FROM 01/19 THRU 02/19

PAGE 1  
RUN DATE 04/09/19 12:03 PM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	6,689,002.16	6,120,518.74	6,401,360.62		2,786,357.75	4.4-	8.5-
2.0	.00	.00	.00		.00	.0	.0
3.0	3,808,149.00-	3,324,177.00-	3,644,031.66-		1,453,073.00-	8.8-	12.7-
4.0	.00	.00	.00		.00	.0	.0
5.0	.00	.00	.00		.00	.0	.0
6.0	280,347.02-	246,895.99-	239,446.88-		128,370.37-	3.1	11.9-
7.0	509,889.95-	564,667.59-	607,745.76-		305,219.12-	7.1-	10.7
8.0	206,093.52-	214,270.91-	195,723.56-		101,310.65-	9.5	4.0
9.0	35,008.38-	31,225.32-	30,262.94-		15,369.21-	3.2	10.8-
10.0	3,892.08-	245.31-	3,515.36-		229.26-	93.0-	93.7-
11.0	305,185.59-	314,754.84-	349,621.96-		128,357.38-	10.0-	3.1
12.0	5,148,565.54-	4,696,236.96-	5,070,348.12-		2,131,928.99-	7.4-	8.8-
13.0	595,169.08-	603,357.27-	613,053.32-		302,397.52-	1.6-	1.4
14.0	6,846.00-	5,838.00-	6,458.32-		2,919.00-	9.6-	14.7-
15.0	.00	.00	.00		.00	.0	.0
16.0	177,198.55-	229,311.93-	201,666.64-		110,709.78-	13.7	29.4
17.0	.00	.00	.00		.00	.0	.0
18.0	15,068.24-	9,277.00-	8,333.30-		2,705.00-	11.3	38.4-
19.0	1,483.63-	1,575.00-	2,129.14-		875.00-	26.0-	6.2
20.0	5,944,331.04-	5,545,596.16-	5,901,988.84-		2,551,535.29-	6.0-	6.7-
21.0	744,671.12	574,922.58	499,371.78		234,822.46	15.1	22.8-
22.0	4,932.05	4,948.07	4,999.96		2,455.12	1.0-	.3
23.0	.00	.00	.00		.00	.0	.0
24.0	.00	.00	.00		.00	.0	.0
25.0	1,582.38-	39,589.54-	1,076.06		41,765.84-	779.1-	2401.9
26.0	.00	.00	.00		.00	.0	.0
27.0	2,354.21	12,808.08	17,916.60		12,808.08	28.5-	444.1
28.0	.00	.00	.00		.00	.0	.0
29.0	750,375.00	553,089.19	523,364.40		208,319.82	5.7	26.3-
RATIOS							
TIER	5.235	3.412	3.595		2.882		
MARGINS TO REVENUE	.112	.090	.082		.075		
POWER COST TO REVENUE	.569	.543	.569		.521		
INTEREST EXPENSE TO REVENUE	.026	.037	.032		.040		
CURRENT ASSETS : CURRENT LIABILITIES	1.2555						
MARGINS & EQUITIES AS % OF ASSETS	.3411						
LONG TERM DEBT AS % OF PLANT	.5529						
GENERAL FUNDS TO TOTAL PLANT	.4007						
QUICK ASSET RATIO	.9342						



## DATA ON TRANSMISSION AND DISTRIBUTION PLANT FEBRUARY 2019

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	25	24	5. Miles Transmission		
2. Services Retired	50	32	6. Miles Distribution-Overhead	2,432.73	2,434.12
3. Total Services in Place	18,127	18,142	7. Miles Distribution-Underground	42.73	43.86
4. Idle Services (Exclude Seasonal)	2,742	2,828	8. Total Miles Energized (5 + 6 + 7)	2,475.46	2,477.98



# Grayson Rural Electric Financial Report

2019 Board Materials  
249 of 534

April 26, 2019

## At A Glance....

February

<u>kWh Sales (2/01 - 2/28)</u>		<u>Margins</u>	
Month	40.00%	Month	\$ 208,319.82
YTD	-2.82%	YTD	\$ 553,089.19
<u>kWh Purchases (2/01 - 2/28)</u>		<u>TIER</u>	
Month	2.92%	Month	2.89
YTD	-1.43%	YTD	3.41
<u>Line Loss</u>			
Month	6.18%		
YTD	6.55%		

Fuel Adjustment 0.005961

ESC 7.21%

Degree Days 608

Heating Degree Days 608

Cooling Degree Days 0

### Notes:

- Capital Credits
- Rate Case Update 2018-00272
-

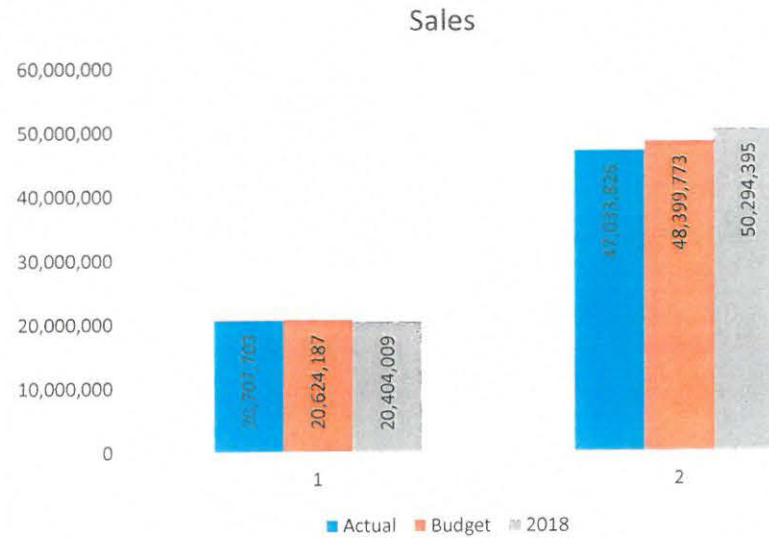




**Sales**

**February**

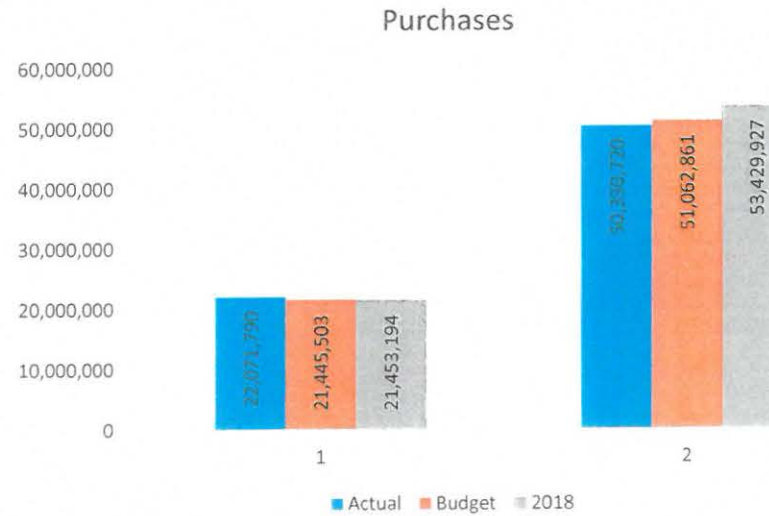
	2019	2018	2018-2016
Actual	20,707,703	20,404,009	19,833,064
Budget	20,624,187		
Difference	83,516 0.40%	303,694 1.49%	874,639 4.41%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	47,033,826	50,294,395	46,325,163
Budget	48,399,773		
Difference	(1,365,947)	(3,260,569)	708,663
% Difference	-2.82%	-6.48%	1.53%



**Purchases**

**February**

	2019	2018	2018-2016
Actual	22,071,790	21,453,194	22,264,458
Budget	21,445,503		
Difference	626,287 2.92%	618,596 2.88%	(192,668) -0.87%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	50,330,720	53,429,927	51,263,889
Budget	51,062,861		
Difference	(732,141)	(3,099,207)	(933,169)
% Difference	-1.43%	-5.80%	-1.82%





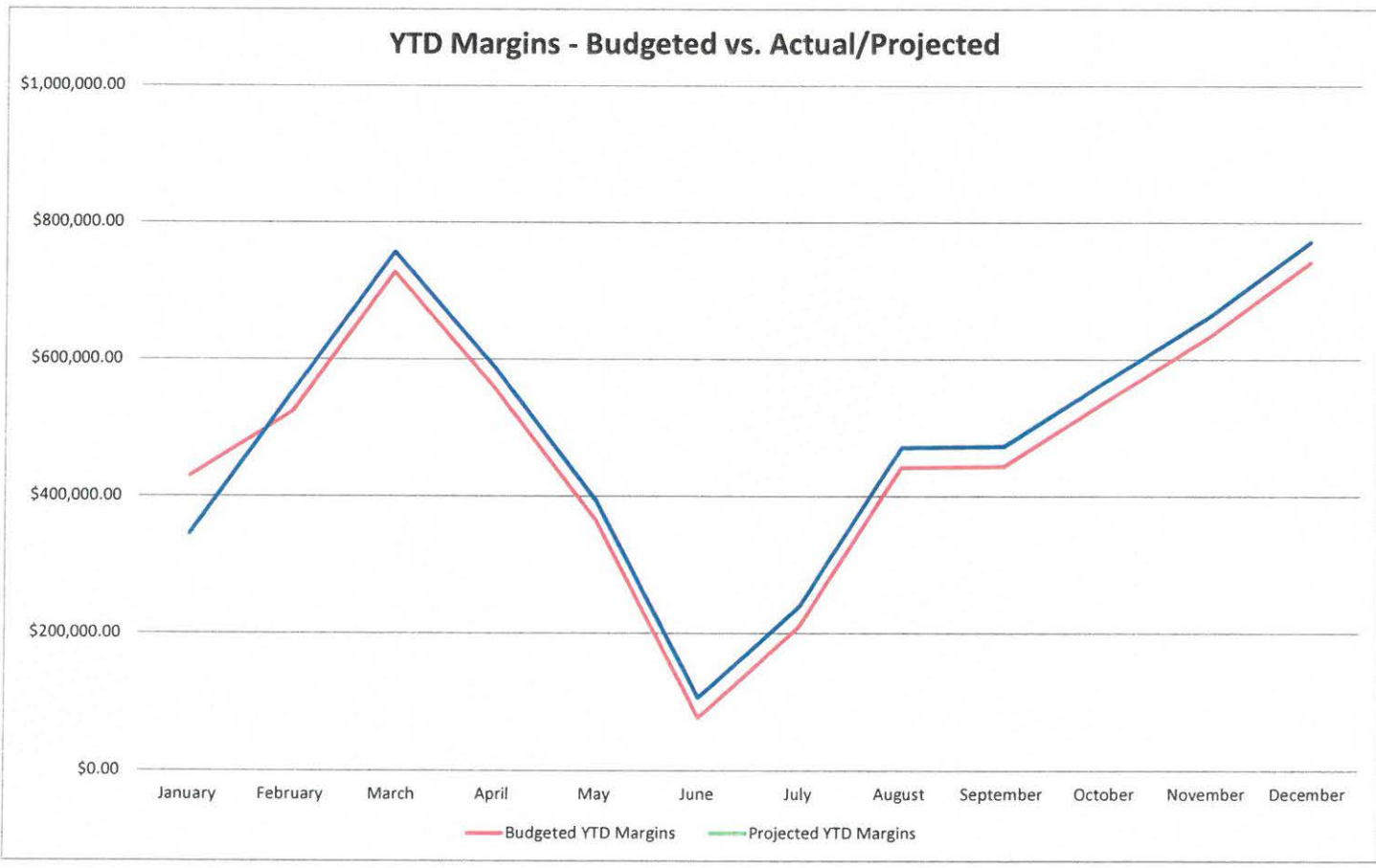
Monthly Operating Revenue & Expenses

	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019
Revenue	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)	(2,813,944)	(3,334,161)	(2,786,358)
Purchased Power	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572	1,871,104	1,453,073
Gross Margins	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)	(1,463,057)	(1,333,285)
Operations	127,137	121,702	121,094	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840	118,526	128,370
Maintenance	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689	259,448	305,219
Customer Service	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478	112,960	101,311
Informational Advertising	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538	15,856	15,369
Demonstration Advertising	1,915	1,652	1,694	2,213	1,699	905	1,773	567	1,293	359	463	16	229
Admin & General	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431	186,397	128,357
Depreciation	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425	300,960	302,398
Regulatory	3,423	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,556	2,919	2,919
Interest - LTD	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599	111,463	111,006	118,602	110,710
Interest - Deposits	1,396	1,392	1,391	1,394	1,445	1,423	1,414	1,424	7,435	9,431	7,865	6,572	2,705
Miscellaneous Expense	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869	801	531	845	700	875
Interest Income	(2,463)	(2,424)	(2,465)	(2,468)	(2,455)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)	(2,493)	(2,455)
Non-Electric Revenue	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)	(400)	(2,176)	41,766
Capital Credits	(2,354)	(68,289)	-	-	-	-	(35,087)	(2,274)	-	-	-	-	(12,808)
Margins	(177,210)	(483,971)	128,463	394,450	424,432	(72,750)	(227,575)	98,238	212,516	109,934	180,857	(344,789)	(208,320)
* ( )s = positive margins													
Operating Expenses	1,043,244	1,124,476	1,128,823	1,201,963	1,099,689	1,109,213	1,108,438	1,186,054	1,149,321	1,086,915	1,160,137	1,122,957	1,098,462
Monthly OTIER	3.03	6.36	(0.16)	(3.18)	(3.49)	1.78	3.30	(0.00)	(1.16)	0.01	(0.45)	3.91	2.88
Revenue	(28,938,512)	(29,886,584)	(30,185,783)	(30,045,070)	(29,636,079)	(29,766,361)	(30,237,157)	(31,836,011)	(32,014,571)	(32,045,613)	(31,593,287)	(31,045,488)	(31,024,804)
Purchased Power	17,796,694	17,848,092	18,001,800	18,146,334	18,252,872	18,193,236	18,164,863	18,361,224	18,363,091	18,388,794	18,299,724	17,954,038	17,815,752
Gross Margins	(11,141,818)	(12,038,492)	(12,184,183)	(11,898,736)	(11,383,207)	(11,573,125)	(12,072,294)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)	(13,091,450)	(13,209,052)
Operations	1,347,602	1,359,607	1,340,835	1,371,826	1,397,164	1,388,365	1,382,551	1,441,631	1,431,767	1,379,997	1,397,789	1,363,105	1,364,338
Maintenance	3,372,536	3,379,558	3,372,897	3,360,487	3,359,363	3,330,357	3,375,194	3,463,785	3,485,240	3,522,854	3,635,745	3,636,500	3,690,522
Customer Service	1,081,421	1,083,992	1,095,572	1,105,770	1,104,811	1,108,900	1,123,060	1,126,098	1,131,062	1,156,308	1,192,896	1,194,904	1,201,073
Informational Advertising	251,272	249,512	241,586	230,186	229,033	225,044	224,265	212,260	208,032	201,888	197,483	202,300	193,890
Demonstration Advertising	22,039	21,526	21,469	21,415	21,826	21,189	21,089	20,166	19,771	18,400	16,510	14,549	12,963
Admin & General	1,961,741	1,955,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,990	2,059,636	2,105,768	2,117,378	2,137,120	2,165,183	2,146,690
Depreciation	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,560,711	3,576,075	3,580,618	3,585,984	3,589,787	3,593,639	3,597,975
Regulatory	41,142	41,176	41,210	41,244	39,781	38,318	36,855	35,392	33,929	34,478	35,025	34,521	34,017
Interest - LTD	996,207	1,010,095	1,041,614	1,058,893	1,071,890	1,081,503	1,094,688	1,107,891	1,122,504	1,150,073	1,177,845	1,206,245	1,229,758
Interest - Deposits	9,414	10,143	10,889	11,586	12,360	13,115	13,859	14,612	21,379	30,146	37,418	42,582	43,891
Miscellaneous Expense	39,893	48,372	53,634	58,349	59,248	63,865	73,842	81,631	80,183	75,752	71,812	65,800	59,639
Interest Income	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)	(29,593)	(30,555)	(30,589)	(30,613)	(30,605)
Non-Electric Revenue	(82,067)	(88,429)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)	(41,298)	(46,720)	(42,938)	(46,548)	(4,829)
Capital Credits	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)	(108,004)	(108,004)	(118,458)
Margins	1,277,615	411,413	386,286	782,405	1,308,890	1,112,141	677,991	(516,118)	(610,132)	(589,039)	(420,217)	242,613	211,503
Operating Expense	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,092	12,992,115	13,139,176	13,220,243	13,273,058	13,489,210	13,519,228	13,574,447
Rolling 12 Month TIER	(0.28)	0.59	0.65	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99	0.60	0.83





	2019 Monthly Margins			2019 YTD Margins			2019 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37
February	\$208,319.82	\$94,493.20	\$113,826.62	\$553,089.19	\$523,364.40	\$29,724.79	\$553,089.19
March	\$0.00	\$203,128.50			\$726,492.90		\$756,217.69
April	\$0.00	-\$168,845.80			\$557,647.10		\$587,371.89
May	\$0.00	-\$194,339.80			\$363,307.30		\$393,032.09
June	\$0.00	-\$286,864.80			\$76,442.50		\$106,167.29
July	\$0.00	\$133,168.20			\$209,610.70		\$239,335.49
August	\$0.00	\$231,461.20			\$441,071.90		\$470,796.69
September	\$0.00	\$2,063.20			\$443,135.10		\$472,859.89
October	\$0.00	\$95,721.20			\$538,856.30		\$568,581.09
November	\$0.00	\$93,498.20			\$632,354.50		\$662,079.29
December	\$0.00	\$109,169.81			\$741,524.31		\$771,249.10





## Margins/Tier

### February

	2019	2018	2018-2016
Revenue	(2,786,358)	(2,807,042)	(2,566,245)
Purchase Power	1,453,073	1,591,359	1,575,215
<i>Gross Margins</i>	(1,333,285)	(1,215,683)	(991,030)
Operating Expenses	1,098,462	1,043,244	1,026,668
Margins	(208,320)	(177,210)	23,796
OTIER	2.88	3.03	0.59

### Year to Date

	2019	2018	2018-2016
Revenue	(6,120,519)	(6,689,002)	(5,910,149)
Purchase Power	3,324,177	3,808,149	3,585,564
<i>Gross Margins</i>	(2,796,342)	(2,880,853)	(2,324,585)
Operating Expenses	2,221,419	2,136,182	2,130,382
Margins	(574,923)	(750,375)	(214,391)
TIER	3.51	5.23	2.31





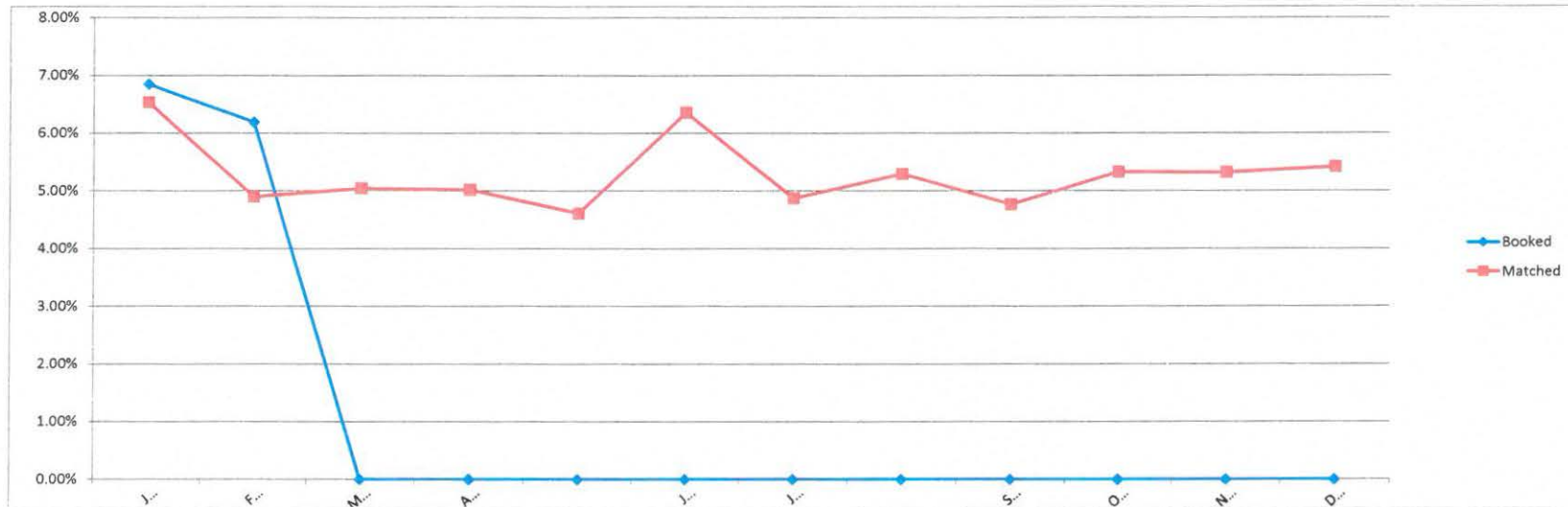
<b>2019</b>			
<b>February Bill</b>			
	<b>Average</b>	<b>HDD</b>	<b>CDD</b>
1-Feb	24	41	0
2-Feb	41	24	0
3-Feb	51	14	0
4-Feb	51	14	0
5-Feb	59	6	0
6-Feb	58	7	0
7-Feb	64	1	0
8-Feb	41	24	0
9-Feb	26	39	0
10-Feb	31	34	0
11-Feb	41	24	0
12-Feb	48	17	0
13-Feb	37	28	0
14-Feb	45	20	0
15-Feb	48	17	0
16-Feb	36	29	0
17-Feb	35	30	0
18-Feb	36	29	0
19-Feb	33	32	0
20-Feb	45	20	0
21-Feb	48	17	0
22-Feb	42	23	0
23-Feb	50	15	0
24-Feb	50	15	0
25-Feb	45	20	0
26-Feb	39	26	0
27-Feb	48	17	0
28-Feb	40	25	0
	43.3	608	0
		608	



<b>2018</b>			
<b>February Bill</b>			
	<b>Average</b>	<b>HDD</b>	<b>CDD</b>
1-Feb	41	24	0
2-Feb	23	42	0
3-Feb	27	38	0
4-Feb	36	29	0
5-Feb	25	40	0
6-Feb	29	36	0
7-Feb	31	34	0
8-Feb	32	33	0
9-Feb	41	24	0
10-Feb	49	16	0
11-Feb	50	15	0
12-Feb	36	29	0
13-Feb	39	26	0
14-Feb	54	11	0
15-Feb	66	0	1
16-Feb	54	11	0
17-Feb	37	28	0
18-Feb	44	21	0
19-Feb	56	9	0
20-Feb	71	0	6
21-Feb	63	2	0
22-Feb	47	18	0
23-Feb	61	4	0
24-Feb	60	5	0
25-Feb	55	10	0
26-Feb	47	18	0
27-Feb	46	19	0
28-Feb	53	12	0
	45.5	554	7
		561	



	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>2019</b>													
<b>Sales</b>	26,326,123.00	20,707,703.00											47,033,826.00
<b>2018</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	255,884,096.00
<b>Purchases:</b>													
<b>2019</b>	28,258,930.00	22,071,790.00											50,330,720.00
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	270,301,596.00
<b>kWh Loss</b>													
<b>2019</b>	1,932,807.00	1,364,087.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,296,894.00
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	14,417,500.00
<b>% Line Loss</b>													
<b>2019</b>	6.84%	6.18%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	6.55%
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.33%

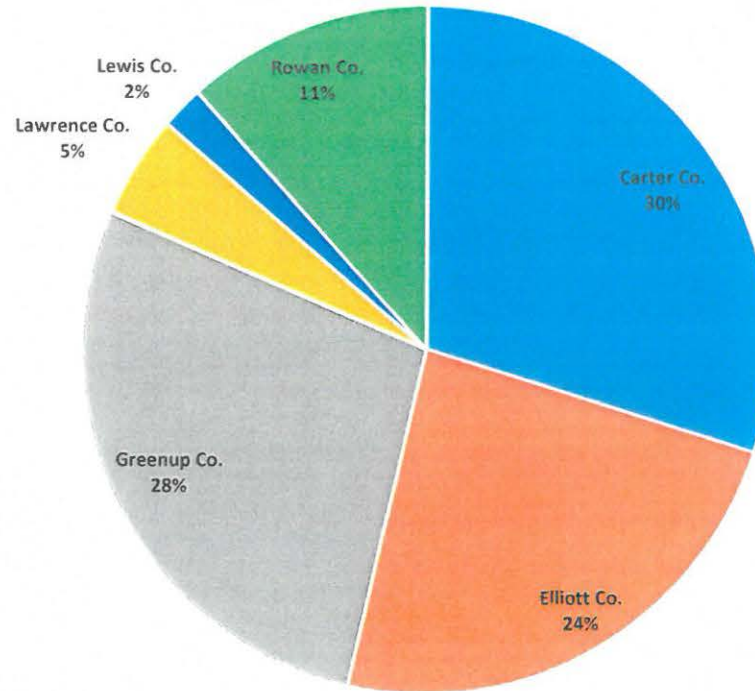




**Bills by County**

	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18
Carter Co.	4,561	4,561	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591
Elliott Co.	3,616	3,616	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668
Greenup Co.	4,274	4,274	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280
Lawrence Co.	741	741	760	747	761	770	761	761	763	761	766	768	768
Lewis Co.	311	311	312	313	318	323	321	314	315	311	316	310	317
Rowan Co.	1,770	1,770	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761
	15,273	15,273	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385

**# of Bills  
February 2019**





Carter Co.



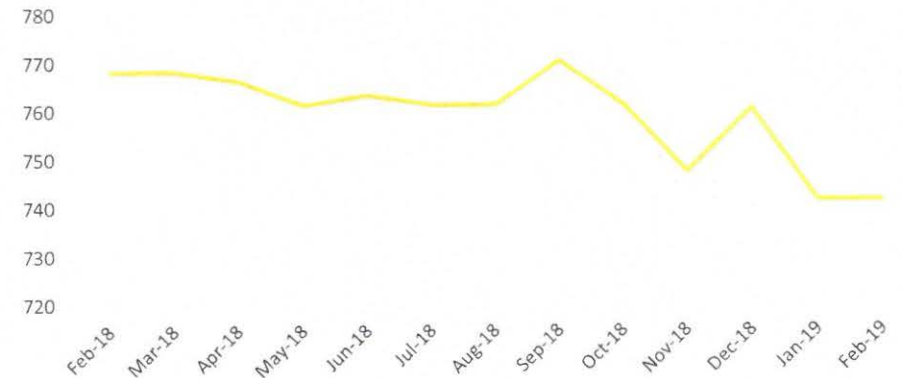
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







## REVENUE SUMMARY FEBRUARY 2019

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
358,182.86	\$ 17,257.51	\$ 5,425.86	\$ 13.75	\$ 2,489.34	\$ 28,032.75	\$ 411,402.07	\$ 14,365.45	\$ 0.99	\$ 8,972.88	2,430	3,059,732
316,184.09	\$ 15,341.22	\$ 10,254.88	\$ 25.48	\$ 1,077.30	\$ 24,847.66	\$ 367,730.63	\$ 9,127.58	\$ 101.67	\$ 7,688.25	2,879	2,629,929
67,753.67	\$ 3,137.20	\$ 1,450.93	\$ 5.50	\$ 595.65	\$ 5,337.78	\$ 78,280.73	\$ 2,527.47	\$ -	\$ 1,639.97	612	560,486
944,200.26	\$ 47,404.77	\$ 18,274.39	\$ 71.50	\$ 2,808.77	\$ 73,472.46	\$ 1,086,232.15	\$ 29,503.15	\$ 39.82	\$ 23,242.86	5,895	8,133,079
-	\$ 50.74	\$ 1,326.73	\$ 2.75	\$ -	\$ 98.93	\$ 1,479.15	\$ 13.61	\$ 1.40	\$ 35.93	102	8,467
<b>686,320.88</b>	<b>\$ 83,191.44</b>	<b>\$ 36,732.79</b>	<b>\$ 118.98</b>	<b>\$ 6,971.06</b>	<b>\$ 131,789.58</b>	<b>\$ 1,945,124.73</b>	<b>\$ 55,537.26</b>	<b>\$ 143.88</b>	<b>\$ 41,579.89</b>	<b>11,918</b>	<b>14,391,693</b>
18,135.60	\$ 521.03	\$ 435.71	\$ -	\$ -	\$ 1,376.51	\$ 20,468.85	\$ 447.38	\$ -	\$ 313.72	327	87,394
18,061.00	\$ 495.26	\$ 319.92	\$ -	\$ 91.66	\$ 1,372.94	\$ 20,340.78	\$ 853.93	\$ 1.69	\$ 283.12	333	86,051
20,894.83	\$ 514.55	\$ 691.47	\$ -	\$ 36.00	\$ 1,600.04	\$ 23,736.89	\$ 664.59	\$ 5.17	\$ 402.32	454	87,745
42,111.46	\$ 1,096.56	\$ 1,037.79	\$ -	\$ 56.75	\$ 3,195.46	\$ 47,498.02	\$ 970.81	\$ 157.66	\$ 1,080.25	870	184,030
6,651.29	\$ 172.88	\$ 209.15	\$ -	\$ 18.00	\$ 508.30	\$ 7,559.62	\$ 180.93	\$ 32.79	\$ 127.27	141	29,191
714.85	\$ 13.69	\$ 39.09	\$ -	\$ -	\$ 55.33	\$ 822.96	\$ 2.62	\$ -	\$ 21.00	21	2,294
1,275.53	\$ 27.77	\$ 76.67	\$ -	\$ -	\$ 99.50	\$ 1,479.47	\$ 21.53	\$ -	\$ 34.80	34	4,656
<b>107,844.56</b>	<b>\$ 2,841.74</b>	<b>\$ 2,809.80</b>	<b>\$ -</b>	<b>\$ 202.41</b>	<b>\$ 8,208.08</b>	<b>\$ 121,906.59</b>	<b>\$ 3,141.79</b>	<b>\$ 197.31</b>	<b>\$ 2,262.48</b>	<b>2,180</b>	<b>481,361</b>
148,099.47	\$ 7,154.82	\$ 3,401.39	\$ 2.75	\$ -	\$ 11,438.82	\$ 170,097.25	\$ 4,057.16	\$ 7,110.12	\$ 4,246.47	971	1,200,152
-	\$ 10.40	\$ 293.40	\$ -	\$ -	\$ 21.88	\$ 325.68	\$ 2.23	\$ 15.92	\$ 9.44	9	1,741
20,206.36	\$ 976.40	\$ 1,599.80	\$ -	\$ -	\$ 1,642.63	\$ 24,425.19	\$ 68.34	\$ 461.80	\$ 549.56	154	163,755
<b>168,305.83</b>	<b>\$ 8,141.62</b>	<b>\$ 5,294.59</b>	<b>\$ 2.75</b>	<b>\$ -</b>	<b>\$ 13,103.33</b>	<b>\$ 194,848.12</b>	<b>\$ 4,127.73</b>	<b>\$ 7,587.84</b>	<b>\$ 4,805.47</b>	<b>1,134</b>	<b>1,365,648</b>
81,671.19	\$ 11,423.08	\$ 950.91	\$ -	\$ -	\$ 13,990.63	\$ 208,035.81	\$ 5,125.18	\$ 6,940.87	\$ 5,110.94	70	1,916,303
120.84	\$ 3.58	\$ -	\$ -	\$ -	\$ 8.97	\$ 133.39	\$ -	\$ 8.00	\$ -	1	600
40,709.82	\$ 2,556.35	\$ 476.07	\$ -	\$ -	\$ 3,153.82	\$ 46,896.06	\$ -	\$ -	\$ 1,406.87	8	428,844
<b>22,501.85</b>	<b>\$ 13,983.01</b>	<b>\$ 1,426.98</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,153.42</b>	<b>\$ 255,065.26</b>	<b>\$ 5,125.18</b>	<b>\$ 6,948.87</b>	<b>\$ 6,517.81</b>	<b>79</b>	<b>2,345,747</b>
30,980.94	\$ 12,634.03	\$ 28.94	\$ -	\$ -	\$ 10,356.73	\$ 154,000.64	\$ -	\$ 5,591.47	\$ 4,620.02	2	2,119,447
<b>30,980.94</b>	<b>\$ 12,634.03</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,356.73</b>	<b>\$ 154,000.64</b>	<b>\$ -</b>	<b>\$ 5,591.47</b>	<b>\$ 4,620.02</b>	<b>2</b>	<b>2,119,447</b>
-	\$ 22.70	\$ 609.10	\$ -	\$ -	\$ 45.55	\$ 677.35	\$ -	\$ -	\$ 20.32	1	3,807
-	\$ 22.70	\$ 609.10	\$ -	\$ -	\$ 45.55	\$ 677.35	\$ -	\$ -	\$ 20.32	1	3,807
<b>15,954.06</b>	<b>\$ 120,814.54</b>	<b>\$ 46,902.20</b>	<b>\$ 121.73</b>	<b>\$ 7,173.47</b>	<b>\$ 180,656.69</b>	<b>\$ 2,671,622.69</b>	<b>\$ 67,931.96</b>	<b>\$ 20,469.37</b>	<b>\$ 59,805.99</b>	<b>15,314</b>	<b>20,707,703</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 80,275.36</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,819,830.01</b>				



**FEBRUARY 2019**

**219 ANALYSIS**

W/O								BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		11		885.75	(885.75)		
100	NEW LINE EXTENSIONS		14		51,028.96	51,028.96	3,644.93	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS		3		444,137.72	444,137.72		
602	SERVICE UPGRADES		1		1,618.20	1,618.20	1,618.20	1,920.25
603	SECTIONALIZERS		11		14,925.09	14,925.09		
604	REGULATORS							
606	POLES		26	POLES	145,563.12	145,563.12	5,598.58	2,410.75
608	CONDUCTOR CHANGE				0.00	0.00		
701	SECURITY LIGHTS		30		19,702.57	19,702.57	656.75	423.50
1600	MINOR PROJECTS		4		12,133.61	12,133.61		
	TOTAL		96		689,995.02	688,223.52		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	TRANSFORMERS	368.00	18		12,952.62	12,952.62	719.59	1,120.00
	METERS	370.00	0		0.00	0.00	0.00	160.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		18		12,952.62	12,952.62		
	MATERIAL				41,784.40			
	MATERIAL OH				44,770.95			
	LABOR				25,156.01			
	LABOR OH				51,889.41			



**Major Projects**

		<b>Budget</b>	<b>Actual</b>	<b>Status</b>		<b>Budget Variance</b>
301 Airport Road - Rattlesnake Rdg.	2015	\$ 29,730				\$ 29,730.00
371 Airport Road - Dudley	2015	\$ 238,770	\$ 266,424.66	Plant	10/31/2015	\$ (27,654.66)
316 Airport - Bruin	2015	\$ 123,420	\$ 109,333.26	Plant	9/30/2016	\$ 14,086.74
305 Argentum - Rt 7	2015	\$ 107,580	\$ 105,371.65	Plant	6/30/2015	\$ 2,208.35
306 Argentum - Timberlake Meadows	2015	\$ 18,990				\$ 18,990.00
310 Newfoundland - Stark	2015	\$ 606,270	\$ 1,076,389.99	Plant	12/31/2017	\$ (470,119.99)
315 Warnock - Montgomery Rd	2015	\$ 357,000	\$ 283,729.65	Plant	4/30/2016	\$ 73,270.35
302 Argentum - Shultz	2016	\$ 145,860	\$ 124,100.67	Plant	4/30/2017	\$ 21,759.33
378 Elliottville - 173	2016	\$ 255,780	\$ 339,151.03	Plant	7/31/2018	\$ (83,371.03)
307 Low Gap - Alcorn	2016	\$ 174,970	\$ 236,621.55	Plant	2/28/2019	\$ (61,651.55)
311 Pactolus - Iron Hill	2016	\$ 80,490	\$ 99,537.95	Plant	4/30/2017	\$ (19,047.95)
312 Pactolus Campbell Lane	2016	\$ 107,060	\$ 98,045.97	Plant	4/30/2017	\$ 9,014.03
303 Argentum - Shultz to Sheep Hlw.	2017	\$ 11,920	\$ 36,649.06	Plant	12/31/2015	\$ (24,729.06)
375 Carter City - Lost Crk	2017	\$ 166,700	\$ 116,661.76	Plant	2/28/2019	\$ 50,038.24
385 Mazie - Blaine	2017	\$ 120,980	\$ 90,854.41	Plant	2/28/2019	\$ 30,125.59
309 Mazie - Cains Crk	2018	\$ 232,790	\$ 215,129.70	Plant	7/31/2018	\$ 17,660.30
313 Pelphrey - Prater Rd	2018	\$ 6,760	\$ 31,103.70	Plant	1/31/2018	\$ (24,343.70)
314 Pelphrey - Bailey Hlw	2018	\$ 68,310	\$ 72,347.25	Plant	12/31/2018	\$ (4,037.25)
		<b>\$ 2,853,380</b>	<b>\$ 3,301,452</b>			<b>\$ (448,072.26)</b>



**219 Analysis**

**1st Year**

Closed in Jan 2015 - Dec 2015

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
9 Retirements	256		(\$3,997.18)	-		
100 New Line Extensions	257	222	\$748,709.56	756,810.00	2,913.27	3,409.05
200 Tie Lines			\$0.00	-		
300 Major Projects			\$ 1,841,249.21	1,481,760.00		
601 Meters	1,649	3,324	\$371,972.55	\$495,276.00	-	149.00
Transformers (padmount)	324	297	\$309,242.04	523,222.00	954.45	1,761.69
Other Special Equipment	0		\$0.00	-		
602 Service Upgrades	29		\$ 35,248.42	-		
603 Sectionalizers	31	55	\$ 59,832.91	103,086.00	1,930.09	1,874.29
604 Regulators	46		\$ 67,847.51	392,438.00		
606 Pole Replacements	0		\$ -	355,950.00	-	-
701 New Security Lights	347	422	\$1,255,755.14	1,409,480.00	3,618.89	2,410.75
1600 Minor Items	225	222	\$135,640.94	130,758.00	602.85	589.00
	75		\$ 120,236.46	-		
<b>Total</b>			<b>\$4,941,737.56</b>	<b>5,648,780.00</b>		

**2nd Year**

Jan 2016 - Dec 2016

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	266		(\$3,370.34)	-		
New Line Extensions	254	222	\$634,762.96	794,673.00	2,499.07	3,579.61
Tie Lines			\$0.00	0.00		
Major Projects			\$ 897,457	764,160.00		
Meters	1,238	3,324	\$280,041.18	518,544.00	226.20	156.00
Transformers (padmount)	253	297	\$266,687.19	564,303.00	1,054.10	1,900.01
Other Special Equipment	68		\$ 140,434.88	0.00		
Service Upgrades	29	55	\$ 77,720.74	108,247.00	2,680.03	1,968.13
Sectionalizers	57		\$ 79,055.12	412,065.00		
Regulators	0		\$ -	73,870.00		-
Pole Replacements	369	422	\$1,225,100.34	1,479,954.00	3,320.06	3,507.00
New Security Lights	348	222	\$258,910.17	137,418.00	743.99	619.00
Minor Items	47		\$ 69,046.65	0.00		
<b>Total</b>			<b>3,925,846.06</b>	<b>4,853,234.00</b>		

**3rd Year**

Jan 2017 - Dec 2017  
(year to date)

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	282		\$(2,618.86)	-		
New Line Extensions	247	222	\$ 759,877.57	834,366.00	3,076.43	3,758.41
Tie Lines			\$0.00	0.00		
Major Projects			\$ 244,165.23	299,600.00		
Meters	1,858	3,324	\$ 421,158.73	545,136.00	226.67	164.00
Transformers (padmount)	249	297	\$ 240,593.27	588,550.00	966.24	1,981.65
Other Special Equipment	2		\$ 26,332.51	0.00		
Service Upgrades	18	55	\$ 34,546.13	113,621.00	1,919.23	2,065.84
Sectionalizers	50		\$ 63,139.59	432,665.00		
Regulators	1		\$ 28,695.86	0.00	28,695.86	-
Pole Replacements	295	422	\$ 1,121,156.08	1,553,804.00	3,800.53	2,410.75
New Security Lights	438	222	\$ 332,334.13	144,300.00	758.75	650.00
Minor Items	47		\$ 83,587.06	0.00		
<b>Total</b>			<b>3,352,967.30</b>	<b>4,512,042.00</b>		

**4th Year**

Jan 2018 - Dec 2018  
(year to date - June)

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	276		\$(6,400.78)	-		
New Line Extensions	215	222	\$ 666,053.44	876,057.00	3,097.92	3,946.20
Tie Lines		0	\$0.00	0.00		
Major Projects		0	\$ 318,580.65	307,860.00		
Meters	1,523	3,324	\$ 235,550.78	571,728.00	154.66	172.00
Transformers (padmount)	196	297	\$ 186,540.64	618,001.00	951.74	2,080.81
Other Special Equipment	6	0	\$ 82,378.89	0.00		
Service Upgrades	27	55	\$ 67,339.09	119,318.00	2,494.04	2,169.42
Sectionalizers	71	0	\$ 219,424.61	454,295.00		
Regulators	0	0	\$ -	164,100.00		-
Pole Replacements	354	422	\$ 1,464,174.15	1,631,452.00	4,136.09	2,410.75
New Security Lights	430	222	\$ 326,798.30	151,404.00	760.00	682.00
Minor Items	46		\$ 134,343.70	-		
<b>Total</b>			<b>3,694,783.47</b>	<b>4,894,215.00</b>		





**Workplan to Date - Thru 12/18**  
**January 2015 - December 2018**

	<u>Number</u>	<u>Budget</u>	<u>Cost</u>	<u>Budget</u>	<u>Unit Cost</u>	<u>Budgeted Unit Cost</u>
Retirements	1080	0 \$	(16,387.16) \$	-		
New Line Extensions	973	888 \$	2,809,403.53 \$	3,261,906.00	2,887.36	3,673.32
Tie Lines	0	0 \$	-	-		
Major Projects	0	0 \$	3,301,452.26 \$	2,853,380.00		
Meters	6268	13296 \$	1,308,723.24 \$	2,130,684.00	208.79	160.25
Transformers	1022	1188 \$	1,003,063.14 \$	2,294,076.00	981.47	1,931.04
Other Special Equipment (padmount)	0	0 \$	-	-		
Service Upgrades	105	0 \$	284,394.70 \$	-		
Sectionalizers	105	220 \$	239,438.87 \$	444,272.00	2,280.37	2,019.42
Regulators	224	0 \$	429,466.83 \$	1,691,463.00		
Pole Replacements	1	0 \$	28,695.86 \$	593,920.00	28,695.86	-
New Security Lights	1365	1688 \$	5,066,185.71 \$	6,074,690.00	3,711.49	2,410.75
Minor Items	1441	888 \$	1,053,683.54 \$	563,880.00	731.22	635.00
		0 \$	407,213.87 \$	-		

**Total Routine** 12,613,882 17,054,891  
**Major Projects** 3,301,452 2,853,380

**Total Workplan** 15,915,334 19,908,271

as of April 11, 2018:

**Total Advanced to Date** \$9,000,000 \$13,205,361

**Amount Encumbered - not advanced** \$4,205,361

**Yet to be Encumbered** \$6,119,639

**Total Loan** \$19,325,000

**Unadvanced Loan Funds** \$10,325,000



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On May 31, 2019 at 8:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the April 2019 Board Meeting
4. President's Report – Carol Hall Fraley
5. KEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for March 2019 – Bradley Cherry, Manager of Finance & Accounting
8. Management Audit Update
  - a.) Set timeline
9. Bylaws for Consideration
10. Board Policies for Consideration
11. Cooperative Legal Matters – Derrick Willis
  - a.) Contract for President & CEO
  - b.) Contract for Legal Counsel
12. Manager of Technical Services Report – Brian Poling
13. Member Services Report – Sherry Conley
14. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
15. Approval of ninety-nine (99) New Memberships and Retirement of eighty-two (82) Existing Memberships for April 2019
16. Consider Approval of Accounts to be Charged Off to Reserve \$8,934.73
17. Consider Approval of President's Business Expense in the Amount of \$91.88, Director's Business Expense in the Amount of \$6,909.56 and Attorney's Business Expense in the Amount of \$2,100.00
18. Consider Community Service and/or Donations
19. Approval of Attendance at Meetings – Directors and Employees



20. Report of Any Meetings Held
  21. Confirm Date for Future Board Meeting – Friday, June 28, 2019
  22. Additional Business
  23. Adjourn
-



On April 26, 2019 at 9:08 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors present. Others present included: Carol Hall Fraley, President and CEO; Derrick Willis of Willis Law Office, Kim Bush, Manager of Marketing & Member Services and Bradley Cherry, Chief Financial Officer and Andrea McCleese, Technical Services Supervisor.

INVOCATION	Director Jimmy Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the minutes from the March 2019 Board Meeting.
PRESIDENT'S REPORT	President Fraley reported on the following:
CHARLESTON BOTTOMS	A letter was received from RUS concerning the Charleston Bottoms case. The letter stated that Charleston Bottoms had nothing to do with issue we raised on the Memorandum of Understanding and the purchase of off-system power.
JASON COFFEE ACCIDENT	A member had an accident in Sandy Hook where a dump truck he was driving got hooked into a line. He owes us \$1,291 and we haven't heard from his insurance. Ms. Fraley will pursue the collection on this.
RUS WORK ORDERS	Work orders for October in the amount of \$300,992.99. Work orders for November in the amount of \$224,805.02. Work orders for December in the amount of \$550,925.36.  Total \$1,076,723.37
	Motion made by Director Trent, seconded by Director Whitt and unanimously agreed to approve RUS Work orders.
EKPC ANNUAL MEETING REPRESENTATIVE	East Kentucky Power Cooperative Annual Meeting is June 11, 2019. Chairman Dupuy announced that Director Trent will serve as Representative and he will serve as the Alternate Representative.
TIPP DEPP, KEC LEGAL COUNSEL	President Fraley requested that Tipp Depp, Legal Counsel for Kentucky Electric Cooperatives, be retained to work with Mr. Willis concerning the life-time medical insurance for former Legal Counsel, W. Jeffrey Scott and the new law on concealed carry, as it pertains to our employees. Mr. Depp has sent us an engagement letter for consideration.  Motion made by Director Martin and seconded by Director Whitt to have President Fraley execute the engagement letter with Mr. Depp. The motion was approved unanimously.
RANDY KAHRIG	Randy Kahrig built a home in Greenup County in 1999. That house burned in 2014. When he rebuilt the home, we received a temporary inspection and then a final inspection, not for occupancy. During this entire time, Mr. Kahrig's account was being charged the temporary rate. He called the office in December 2018 stating that he was still receiving the temporary rate on his bill. A final (for occupancy) inspection was never received in our office and the rate was not changed.

RANDY KAHRIG (cont.)

The overbilling was calculated from January 2015 through March 2019. Mrs. Fraley spoke with Mr. Kahrig concerning the issue. She explained to him that the Kentucky Public Service Commission requires that we refund 24 months of the discrepancy. President Fraley also paid him three months from 2019 because we were looking into the issue during this time. A check was sent to him in the amount of \$991.71 for 27 months, in accordance with the rules of the PSC. This was for the difference between Temporary Rate and Residential Rate. She also explained that it is the member's responsibility to make sure we receive copies of each inspection. Mr. Kahrig gave the check for the 27 months back to Chairman Dupuy and said he should receive all of the overbilling.

Following thorough discussion, during which Chairman Dupuy said that Mr. Kahrig was very insistent and had been to Mr. Dupuy's home at different times, motion was made to pay the total fifty-one (51) months of overbilling in the amount of \$1,873.23 by Director Martin and seconded by Director Whitt. The motion was approved.

BOARD POLICIES

President Fraley is reviewing our Board Policies in preparation of the Management Audit. She has formed two employee committees to look at the Board Policies on Safety and Work Rules. They haven't been updated recently. Once the committees have made their recommendations for changes and/or additions to these policies, they will be presented to the board for their consideration. These two committees will then combine and draft a policy for the Board to consider on the Board's expectations for safety.

MANAGEMENT AUDIT

President Fraley asked that an update on the Management Audit become a permanent item on future board meeting agendas. Chairman Dupuy agreed and directed her to put it on the agenda each month.

Each director was presented with a notebook with all pertinent information to date, concerning the Management Audit. This notebook will be added to each month.

Ms. Fraley also shared the most recent letter (received April 25, 2019) and other information concerning the upcoming Management Audit. Bradley Cherry, CFO, gave an update on the 2018 Rate Case.

Ms. Fraley discussed with the board members the list of the items to be considered going forth with the Management Audit.

Guidelines were presented and prioritized for the Management Audit and included:

1. Statement of Ideals and Objectives
2. Lifetime Medical insurance for W. Jeffrey Scott for review and advice of legal counsel.
3. Wage and Salary Plan to be independent of the Union Contract.
4. Legal Counsel Derrick Willis' contract.
5. President Fraley's contract.
6. Health insurance with employees paying a portion of their health insurance.
7. Tie all relevant expenses to the budget and to T.I.E.R. Document specifics on large projects.
8. Review Board Policies and Bylaws.
9. Create a safety committee.
10. Combine the safety committee and work rules committee to



MANAGEMENT AUDIT (cont.)

- present a policy on board expectations on safety.
11. Consider a monthly outage report to be included in the board minutes.
  12. Review and revise Rules & Regulations on file with the KY PSC.
  13. Make T.I.E.R. based on the best information available to determine.
  14. No lost-time accidents.
  15. Contingency for storms within our budget.
  16. Review and create a written plan for our bidding processes with our contractors.

Other items may be added as needed.

Motion made by Director Martin and seconded by Director Whitt to adopt the proposed guidelines going forward with the Management Audit. All in favor and the motion was approved.

BYLAWS

Article IV, Section 2, Election and Tenure of Office. Proposes to change the number of director seats required to not less than five (5) nor more than seven (7). Also, it was proposed to combine Lawrence and Elliott counties, due to the low number of members in Lawrence counties.

Director Whitt made a motion to table this matter until the May meeting to give Director Arrington time to look over the proposed changes. Chairman Dupuy tabled the matter until the May Board meeting.

EKPC BOARD NOMINATION

Director Arrington made a motion to nominate Director Martin to serve on the EKPC board of Directors and a second was made by Director Bentley. Motion carried unanimously.

DERRICK WILLIS'  
CONTRACT

President Fraley mentioned that the PSC wanted Grayson RECC to adopt a more formal contract for Legal Counsel Willis.

PRESIDENT & CEO'S  
CONTRACT

President Fraley, also does not have a contract. Legal Counsel Willis will have a contract ready by the May Board Meeting for President Fraley.

EKPC DIRECTOR REPORT

Director Arrington was unable to attend and President Fraley did not attend due to the Management Audit.

KEC DIRECTOR REPORT

Director Whitt reported that a meeting was not held at KEC in March.

FINANCIAL & STATISTICAL  
REPORT FOR FEB 2019

Bradley Cherry, CFO, presented the Financial & Statistical Report for February 2019:

SALES AND PURCHASES

Kilowatt hour sales for the month of February were up 0.4% over budget. The year-to-date total was 2.82% under budget. Purchases for the month of February were 2.92% over budget. The year-to-date total was 1.43% under budget. Line loss for February was 6.18%. The year-to-date for line loss is 6.55%. February margins were \$208,319.82 the year-to-date total margins were \$553,089.19.

T.I.E.R.

February 2019's monthly T.I.E.R. was 2.89 with year-to-date T.I.E.R. at 3.41.

FUEL ADJUSTMENT

The fuel adjustment for February was a charge of \$.005961.

ESC

The environmental surcharge was 7.21%.

DEGREE DAYS

There were 608 degree days, all were heating degree days. Sales were up 1.49% compared to 2018 where they were up 1.5%. Year-to-date sales were under about 6.48%.

Purchases were up from last year 2.88%. Year-to-date, our purchases compared to 2018 are down almost 5.8%.

BILLS

We mailed 15,273 bills for the month of February. Compared to 2018, we have 112 fewer bills.

Bradley reviewed Form 219. We had 11 retirements in February, extended 14 new lines, completed three major projects, had 1 service upgrade, 11 Sectionalizers, changed 26 poles, no conductor changes, 30 security lights, and completed 4 minor projects. These items cost \$689,995.02 and \$688,223.52 was taken from loan funds. We also purchased 18 transformers that cost \$12,952.62.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR FEBRUARY 2019

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for February 2019 as presented, for informational purposes only.

COOPERATIVE LEGAL  
REPORT

Legal Counsel Willis reported on the Windstream Bankruptcy. He had been in contact with the statewide attorney and the Windstream bankruptcy attorney from New York City.

He continues to follow and be involved in everything associated with the Rate Case at the PSC.

MANAGER OF  
TECHNICAL SERVICES

Brian Poling, Manager of Technical Services reported on the following:

AMI Update: We have installed 3 Collectors, 45 routers and 702 meters. We received 20 pallets (1920) of meters this week and are scheduled to receive the same amount each month through November of this year.

Construction is helping install meters on their slower days and maintenance has been helping install routers.

Robert attended a Milsoft training in Savannah Georgia as his first of several trainings to allow him to export mapping data into our Outage Management system. This should allow for a more up-to-date outage map.

Andrea is installing new "Thin Clients" to upgrade our virtual desktops to Windows 10. Microsoft will not support Windows 7 after this year and the software we were using to manage our existing desktops has gone away.

Mike Norman met with us and let us know we can relax our timeline to complete our next Construction Work Plan. He originally told us we needed to push it forward 2 month because of Environmental approval delays but now says that is no longer a concern. We are looking now to have the new CWP ready for Board Approval in October.

I spent two days with engineers from Leidos as we began the next

MANAGER OF

Construction Work Plan. At this point we just have a lot more work ahead

TECHNICAL SERVICES (cont.) of us but are making progress.

MEMBER SERVICES  
REPORT

Sherry Conley, Member Services Supervisor reported on the following:

PREPAY

We have 790 Pre Pay active accounts and 2 inactive accounts. 3,264 payments were made in 30 days with an average of \$ 35.94 per payment.

Tina completed 8 energy audits.

LIHEAP

We have received \$222,175.67, in payments from all LIHEAP agencies through the end of March. LIHEAP was extended through April 30<sup>th</sup> this year. We are still receiving a few payments through April.

ROW EASEMENTS

23 easements were recorded in April. Total easements recorded since November 2017 is 1,129.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

EMPLOYEE/LOST TIME  
ACCIDENT

There were no lost time accidents to report for the month of March.

SAFETY REPORT

The regular Monday morning safety meetings were held by various staff members of Grayson Rural Electric.

- March 4, 2019, Priscilla Sparks, Executive Assistant, was in charge of meeting. Andrea McCleese spoke about an accident involving a bucket truck that rolled over and one man passed away and the other may not return to work, they were not wearing seat belts. She requested that everyone always wear their seat belts. Brian Poling went over the new AMI Deployment and explained the meter deployment and routers, antennas and how they can be traced on the system. Carol Ann Fraley requested everyone to be careful and watch over each other.
- March 13, 2019, Robert Brown, Geographical Information System Technician, was in charge of meeting. Tony Dempsey with KAEC was our guest speaker and he went over Near Misses and Protective Grounding. He also checked all of the grounds at the coop. Kyle Clevenger requested everyone to be careful and watch over each other.
- March 18, 2019, Sherry Buckler, Manager of Accounting & Human resources, was in charge of meeting. She read from safety manual General rules: 101 Application, 102 Employees' Responsibility for Safety, 103 Reporting Employee Injuries, 104 Reporting Hazardous Conditions, 105 Taking chances, 106 Practical Jokes, 107 Guards, 108 Warnings and 109 Intoxication Beverages and Drugs. Kyle Clevenger requested everyone to have their safety straps and ropes checked for damage.
- March 25, 2019, Kim Bush, Executive Assistant, was in charge of meeting. She passed out the Emergency Contact information to be updated by all employees and explained that if there is an emergency not to put on social media due to families not being notified. Kyle Clevenger requested everyone to have a safe day, watch over each other, and take care of one another.

SAFETY REPORT (cont.)

Kyle continues to mention the necessity and importance of hard hats, rubber

gloves and the importance of using ground chains. A line is not dead until it is grounded.

JOB BUILT	Construction built ninety-six (96) new work orders (including 13 services added and 8 services retired) for the month of March and worked zero (0) hours of overtime.
DELINQUENT NOTICES	There were 114 delinquents for April. Forty-nine (49) cards were issued to be disconnected. Eight accounts were disconnected by remote on April 9, for cycle 1. Forty-eight (48) cards were issued to be disconnected and 9 accounts were disconnected by remote meter on April 16 for cycle 2. Field personnel disconnected a total of 12 meters and a total of 12 meters were reconnected by field personnel and remote.
OVERTIME HOURS	The Maintenance Department worked two hundred eighty-four (284) hours of overtime; Maintenance worked sixty-nine (69) work order overtime hours. The Engineering Department didn't have any overtime hours in March.
CONTRACT CREWS	We have one (1) Pike crew working. Ryan Kitchen is working on coordination and pole changes in various counties.
RIGHT-OF-WAY CREWS	We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 933 trees, cut 2,287 trees, cut 29,480 feet of brush/line and sprayed 56 spans of line. The crews are working in the following areas:  <ul style="list-style-type: none"><li>1 cutting crew in Carter, Lewis, &amp; Greenup counties</li><li>1 cutting crew in Rowan County</li><li>2 cutting crews in Lawrence and Elliott counties</li><li>1 bucket truck crew in Carter, Lewis, &amp; Greenup counties</li><li>1 bucket truck crew in Rowan County</li><li>1 bucket truck crew in Elliott County</li><li>1 tractor crew in Carter County</li><li>2 spray crews in Elliott County</li><li>1 Smith Tree Service, Circuit Crew on Rt 32, Lawrence County</li></ul>
ENGINEERING REPORT	The Engineering Department released two hundred sixty-one (261) prints consisting of 3,954 feet of primary line and 3,191 feet of service wire. The larger number of prints was due to the new metering.  They currently have two (2) new services to be staked and two (2) to be drawn. There are eight (8) miscellaneous jobs to be staked or drawn.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve seventy-six (76) new memberships and retirement of ninety-three (93) existing memberships for March 2019.
BAD DEBT WRITE-OFFS	Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to charge off \$3,733.03 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES	Motion was made by Director Trent seconded by Director Martin and unanimously agreed to approve the President's business expense of \$484.32, Director's business expenses of \$5,162.59, and Attorney's business expense of \$1,187.83.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Carter County Wolfpack	\$150
East Carter Golf	\$250
Greenup County OFD	\$100
Special Olympics Kentucky	\$145
Rocky Adkins Cure for Cancer Golf Tournament	\$250
Lewis Co. Football Team Golf Scramble	\$100
Rocky Adkins Public Library Summer Reading Program	\$200
Frontier Housing Golf Scramble	\$100
TOTAL	\$1,295

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

ATTENDANCE TO MEETINGS Sherry Conley, Member Services Supervisor will attend the SEDC conference in June.

BOARD MEETING DATE The May Board Meeting will be held on Friday, May 31<sup>st</sup> at 9:00 a.m.

ADDITIONAL BUSINESS There was no additional business to bring before the Board of Directors.

ADJOURN Chairman Dupuy adjourned the meeting at 12:05 p.m.

\_\_\_\_\_  
Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
Derrick Willis, Legal Counsel







































## DIRECTORS & ATTORNEY EXPENSES

March-19

**KENNETH ARRINGTON**

Per Diem	- GRECC Bd. Mtg. (3/22)	\$ 300.00
MISC	- Annual VISA Card Fee	3.00
VISA	-	-
NRECA	-	-
KAEC	-	-
	<b>Cash in Lieu of Insurance</b>	<b>637.63</b>
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 941.12</b>

**JIM BENTLEY**

Per Diem	- GRECC Bd. Mtg. (3/22)	\$ 301.16
MISC	- Annual VISA Card Fee	3.00
VISA	-	-
NRECA	-	-
	<b>Cash in Lieu of Insurance</b>	<b>637.63</b>
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 942.87</b>

**HAROLD DUPUY**

Per Diem	- GRECC Bd. Mtg. (3/22)	\$ 334.80
MISC	- Annual VISA Card Fee	3.00
VISA	- Hotel NRECA Annual Mtg.	322.88
NRECA	-	-
KAEC	-	-
	<b>Cash in Lieu of Insurance</b>	<b>637.63</b>
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 1,299.01</b>

**EDDIE MARTN**

Per Diem	GRECC Bd. Mtg. (3/22)	\$ 309.28
MISC	- Annual VISA Card Fee	3.00
VISA	-	-
NRECA	-	-
	<b>Cash in Lieu of Insurance</b>	<b>637.63</b>
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 950.99</b>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (3/22)	\$	340.60
<b>MISC</b>	- Annual VISA Card Fee		3.00
<b>VISA</b>	- Hotel NRECA Annual Mtg.		322.88
<b>NRECA</b>	-		-
<b>KAEC</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 – Hr. Insurance		0.49
<b>TOTAL</b>	-	<b>\$</b>	<b>1,304.60</b>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (3/18) Travel Day; GRECC Bd. Mtg. (3/22)	\$	806.26
<b>MISC</b>	- Annual VISA Card Fee		3.00
<b>VISA</b>	-		-
<b>NRECA</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 – Hr. Insurance		1.08
<b>TOTAL</b>	-	<b>\$</b>	<b>1,447.97</b>

**JEFF SCOTT**

<b>Per Diem</b>	-		
<b>MISC</b>	- (46) Copies Bankruptcy	\$	23.00
<b>VISA</b>	-		-
<b>Excess Hrs</b>	-		-
<b>Out-of-Pocket</b>	-		-
<b>NRECA</b>	-		-
<b>TOTAL</b>	-	<b>\$</b>	<b>23.00</b>

**WILLIS LAW OFFICE**

<b>Mo. Hours</b>	- March 14 hours	\$	2,100.00
<b>MISC</b>	-		-
<b>VISA</b>	-		-
<b>Excess Hrs</b>	-		-
<b>Out-of-Pocket</b>	-		-
<b>NRECA</b>	-		-
<b>TOTAL</b>	-	<b>\$</b>	<b>2,100.00</b>





























PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	80,120,210.37	30.0 MEMBERSHIPS	153,955.00-
2.0	CONSTRUCTION WORK IN PROGRESS	501,846.96	31.0 PATRONAGE CAPITAL	26,546,766.13-
3.0	TOTAL UTILITY PLANT	80,622,057.33	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	25,577,760.52-	33.0 OPERATING MARGINS-CURRENT YEAR	860,278.98-
5.0	NET UTILITY PLANT	55,044,296.81	34.0 NON-OPERATING MARGINS	28,242.82
			35.0 OTHER MARGINS & EQUITIES	192,788.64
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0 TOTAL MARGINS & EQUITIES	27,339,968.65-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	16,803,820.76	37.0 LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	634,222.31	38.0 LNG-TERM DEBT-FFB-RUS GUAR	27,986,301.98-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0 LONG TERM DEBT - OTHER (NET)	16,104,701.56-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	17,438,141.72	42.0 PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	90,304.83	43.0 TOTAL LONG TERM DEBT	44,091,003.54-
16.0	CASH - CONSTRUCTION FUND TRUST	.00		
17.0	SPECIAL DEPOSITS	.00	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
18.0	TEMPORARY INVESTMENTS	91,000.00	45.0 ACCUM OPERATING PROVISIONS	3,195,597.81-
19.0	NOTES RECEIVABLE (NET)	.00	46.0 TOTAL OTHER NONCURR LIABILITY	3,195,597.81-
20.0	ACCTS RECV - SALES ENERGY(NET)	3,417,984.10	47.0 NOTES PAYABLE	600,000.00-
21.0	ACCTS RECV - OTHER (NET)	174,503.76	48.0 ACCOUNTS PAYABLE	2,025,951.49-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0 CONSUMER DEPOSITS	1,195,379.99-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	1,440,209.80	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	358,943.76	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	14,355.55	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	5,587,301.80	53.0 OTHER CURRENT & ACCRUED LIAB	825,955.51-
			54.0 TOTAL CURRENT & ACCRUED LIAB	4,647,286.99-
27.0	REGULATORY ASSETS	.00		
28.0	OTHER DEFERRED DEBITS	1,289,019.15	55.0 REGULATORY LIABILITIES	.00
			56.0 OTHER DEFERRED CREDITS	84,902.49-
29.0	TOTAL ASSETS & OTHER DEBITS	79,358,759.48	57.0 TOTAL LIABILITIES & OTH CREDIT	79,358,759.48-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	12,683.29
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	12,683.29

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.  
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

*Bradley Cherry*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Carol Hill Dault*  
SIGNATURE OF MANAGER

05/15/2019  
DATE

05/15/19  
DATE



PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	9,668,695.57	8,990,988.78	9,136,758.73	2,870,470.04	1.6-	7.0-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	5,279,162.00-	4,836,406.00-	5,059,318.99-	1,512,229.00-	4.4-	8.4-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	402,048.59-	377,756.42-	359,170.32-	130,860.43-	5.2	6.0-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	835,023.99-	919,136.03-	911,618.64-	354,468.44-	.8	10.1
8.0	CUSTOMER ACCOUNTS EXPENSE.....	305,795.79-	312,535.56-	293,585.34-	98,264.65-	6.5	2.2
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	54,406.61-	49,081.04-	45,394.41-	17,855.72-	8.1	9.8-
10.0	SALES EXPENSE.....	5,544.34-	872.39-	5,273.04-	627.08-	83.5-	84.3-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	462,520.60-	469,868.38-	524,432.94-	155,113.54-	10.4-	1.6
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	7,344,501.92-	6,965,655.82-	7,198,793.68-	2,269,418.86-	3.2-	5.2-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	893,754.75-	906,376.45-	919,579.98-	303,019.18-	1.4-	1.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	10,269.00-	8,757.00-	9,687.48-	2,919.00-	9.6-	14.7-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	263,771.81-	339,843.95-	302,499.96-	110,532.02-	12.3	28.8
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	24,623.59-	13,178.33-	12,499.95-	3,901.33-	5.4	46.5-
19.0	OTHER DEDUCTIONS.....	2,898.52-	2,925.00-	3,193.71-	1,350.00-	8.4-	.9
20.0	TOTAL COST OF ELECTRIC SERVICE.....	8,539,819.59-	8,236,736.55-	8,446,254.76-	2,691,140.39-	2.5-	3.5-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	1,128,875.98	754,252.23	690,503.97	179,329.65	9.2	33.2-
22.0	NON OPERATING MARGINS - INTEREST.....	7,356.47	7,404.22	7,499.94	2,456.15	1.3-	.6
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	7,470.33	35,647.04-	1,614.09	3,942.50	308.5-	577.2-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	181,738.16	106,026.75	26,874.90	93,218.67	294.5	41.7-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	1,325,440.94	832,036.16	726,492.90	278,946.97	14.5	37.2-

RATIOS

TIER	6.025	3.448	3.402	3.524
MARGINS TO REVENUE	.137	.093	.080	.097
POWER COST TO REVENUE	.546	.538	.554	.527
INTEREST EXPENSE TO REVENUE	.027	.038	.033	.039
CURRENT ASSETS : CURRENT LIABILITIES	1.2023			
MARGINS & EQUITIES AS % OF ASSETS	.3445			
LONG TERM DEBT AS % OF PLANT	.5469			
GENERAL FUNDS TO TOTAL PLANT	.2250			
QUICK ASSET RATIO	.8924			





## DATA ON TRANSMISSION AND DISTRIBUTION PLANT MARCH 2019

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	37	36	5. Miles Transmission		
2. Services Retired	97	46	6. Miles Distribution-Overhead	2,431.92	2,433.68
3. Total Services in Place	18,092	18,140	7. Miles Distribution-Underground	42.77	43.95
4. Idle Services (Exclude Seasonal)	2,728	2,876	8. Total Miles Energized (5 + 6 + 7)	2,474.69	2,477.63



**May 31, 2019**

**At A Glance....**

**March**

<u>kWh Sales (3/01 - 3/31)</u>		<u>Margins</u>	
<i>Month</i>	8.43%	<i>Month</i>	\$ 278,946.97
<i>YTD</i>	0.56%	<i>YTD</i>	\$ 832,036.16
<u>kWh Purchases (3/01 - 3/31)</u>		<u>TIER</u>	
<i>Month</i>	1.37%	<i>Month</i>	3.52
<i>YTD</i>	-0.57%	<i>YTD</i>	3.45
<u>Line Loss</u>			
<i>Month</i>	2.99%		
<i>YTD</i>	5.42%		

**Fuel Adjustment**      0.001253

**ESC**                              6.31%

**Degree Days**                      654

*Heating Degree Days*      654

*Cooling Degree Days*      0

**Notes:**

- Capital Credits
- 
-

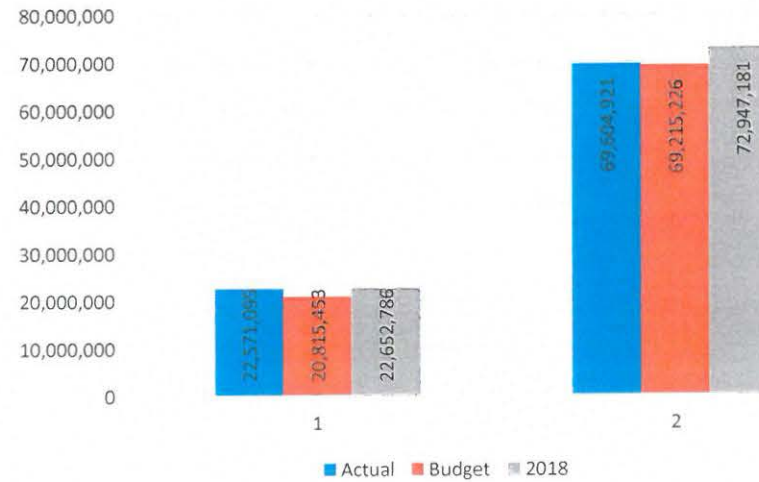


**Sales**

**March**

	2019	2018	2018-2016
Actual	22,571,095	22,652,786	19,151,254
Budget	20,815,453		
Difference	1,755,642 8.43%	(81,691) -0.36%	3,419,841 17.86%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	69,604,921	72,947,181	65,476,416
Budget	69,215,226		
Difference	389,695 0.56%	(3,342,260) -4.58%	4,128,505 6.31%

**Sales**

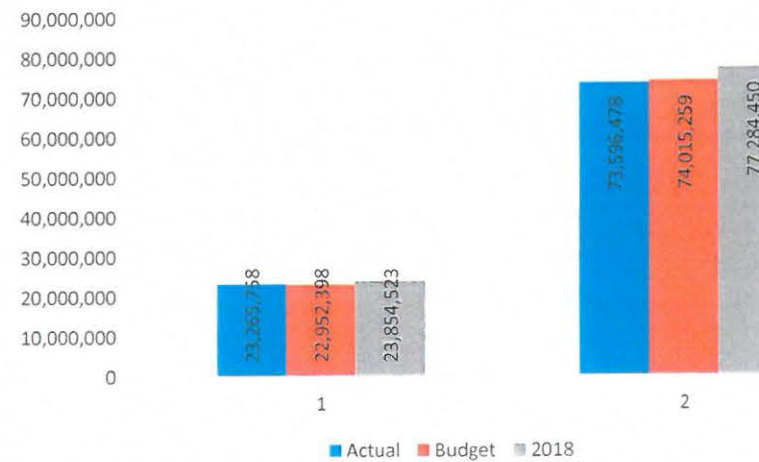


**Purchases**

**March**

	2019	2018	2018-2016
Actual	23,265,758	23,854,523	22,003,827
Budget	22,952,398		
Difference	313,360 1.37%	(588,765) -2.47%	1,261,931 5.74%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	73,596,478	77,284,450	73,267,716
Budget	74,015,259		
Difference	(418,781) -0.57%	(3,687,972) -4.77%	328,762 0.45%

**Purchases**







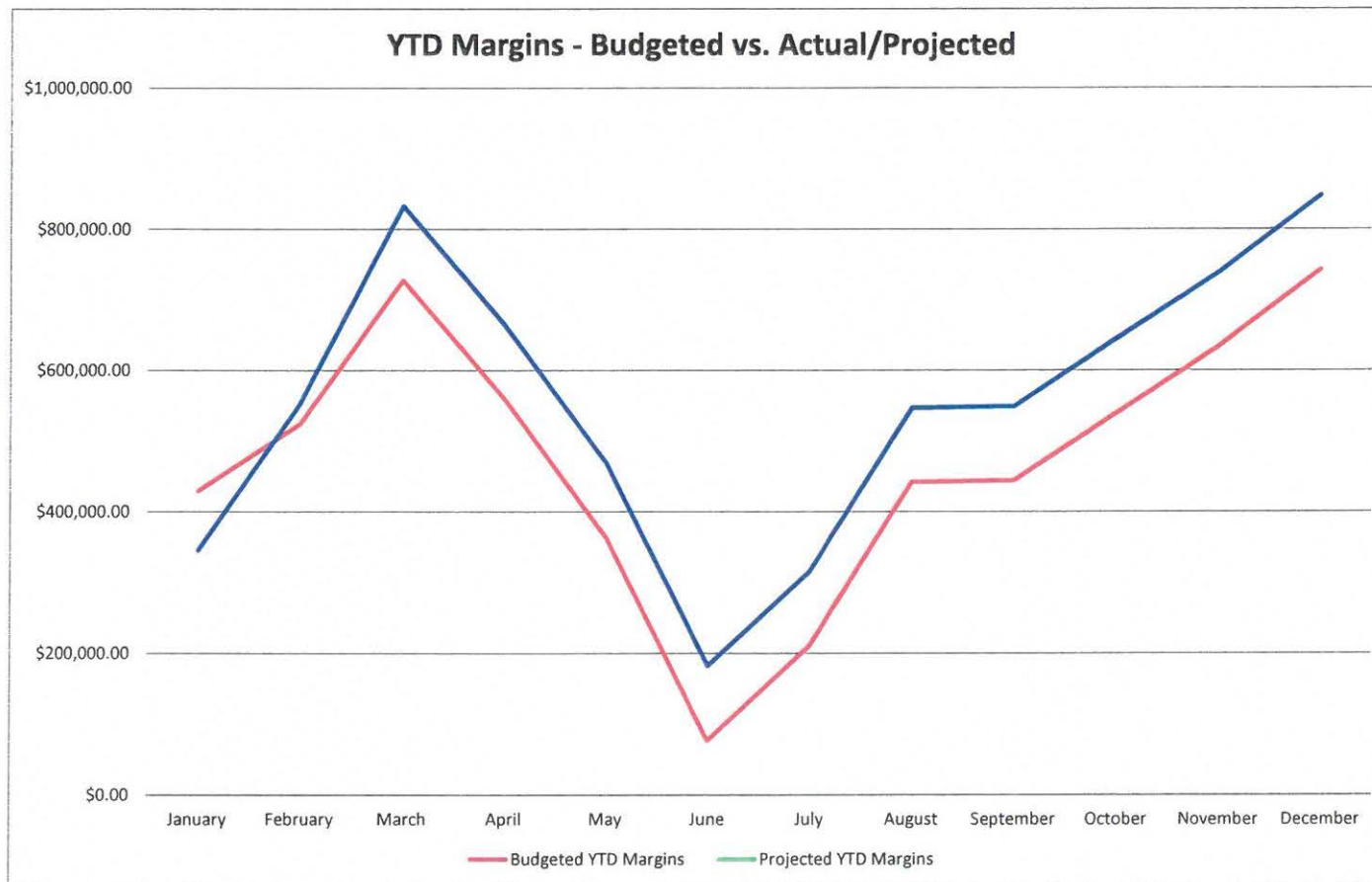
Monthly Operating Revenue & Expenses

	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019
Revenue	(2,979,693)	(2,285,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,476,603)	(2,813,944)	(3,334,161)	(2,786,358)	(2,870,470)
Purchased Power	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572	1,871,104	1,453,073	1,512,229
Gross Margins	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)	(1,463,057)	(1,333,285)	(1,358,241)
Operations	121,702	121,094	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840	118,526	128,370	130,860
Maintenance	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689	259,448	305,219	354,468
Customer Service	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478	112,960	101,311	98,265
Informational Advertising	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538	15,856	15,369	17,856
Demonstration Advertising	1,652	1,694	2,213	1,699	905	1,773	567	1,293	359	463	16	229	627
Admin & General	157,335	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431	186,397	128,357	155,114
Depreciation	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425	300,960	302,398	303,019
Regulatory	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,556	2,919	2,919	2,919
Interest - LTD	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599	111,463	111,006	118,602	110,710	110,532
Interest - Deposits	1,392	1,391	1,394	1,445	1,423	1,414	1,424	7,435	9,431	7,865	6,572	2,705	3,901
Miscellaneous Expense	9,578	6,266	5,908	2,663	6,167	13,937	11,869	801	531	845	700	875	1,350
Interest Income	(2,424)	(2,465)	(2,468)	(2,455)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)	(2,493)	(2,455)	(2,456)
Non-Electric Revenue	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)	(400)	(2,176)	41,766	(3,943)
Capital Credits	(68,289)	-	-	-	-	(35,087)	(2,274)	-	-	-	-	(12,808)	(93,219)
Margins	(463,971)	128,483	394,450	424,432	(72,750)	(227,875)	98,238	212,518	109,934	180,857	(344,789)	(208,320)	(278,947)
* ( )s = positive margins													
Operating Expenses	1,124,476	1,129,823	1,201,983	1,099,689	1,109,213	1,108,436	1,188,084	1,149,321	1,088,816	1,160,137	1,122,957	1,098,462	1,178,911
Monthly OTIER	6.36	(0.16)	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.16)	0.04	(0.45)	3.91	2.98	3.52
Revenue	(29,886,594)	(30,185,783)	(30,045,070)	(29,636,079)	(29,768,351)	(30,237,157)	(31,836,011)	(32,014,571)	(32,045,813)	(31,593,287)	(31,045,488)	(31,024,804)	(30,915,580)
Purchased Power	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,184,883	18,361,224	18,363,091	18,388,794	18,299,724	17,954,038	17,815,752	17,856,968
Gross Margins	(12,038,492)	(12,184,183)	(11,898,736)	(11,383,207)	(11,575,115)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)	(13,091,450)	(13,209,052)	(13,058,612)
Operations	1,359,807	1,340,830	1,371,826	1,397,164	1,388,365	1,382,561	1,441,831	1,431,787	1,379,997	1,397,789	1,363,105	1,364,338	1,373,486
Maintenance	3,379,558	3,372,867	3,360,487	3,369,363	3,330,357	3,375,194	3,463,785	3,485,240	3,522,854	3,635,745	3,636,500	3,600,522	3,719,857
Customer Service	1,063,992	1,085,572	1,105,770	1,104,811	1,109,900	1,123,080	1,126,096	1,131,052	1,156,308	1,192,896	1,194,904	1,201,073	1,199,636
Informational Advertising	249,512	241,566	230,186	229,033	225,044	224,285	212,280	208,032	201,688	197,463	202,300	193,880	192,137
Demonstration Advertising	21,526	21,489	21,415	21,828	21,189	21,089	20,188	19,771	18,400	18,510	14,549	12,863	11,838
Admin & General	1,955,831	2,003,064	2,102,218	2,081,491	2,089,213	2,078,990	2,059,636	2,105,788	2,117,378	2,137,120	2,165,183	2,146,890	2,144,468
Depreciation	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711	3,576,075	3,580,818	3,585,984	3,589,787	3,593,539	3,597,975	3,602,409
Regulatory	41,178	41,210	41,244	38,781	38,318	36,855	35,392	33,929	34,478	35,025	34,521	34,017	33,513
Interest - LTD	1,010,095	1,041,814	1,056,893	1,071,890	1,081,503	1,094,898	1,107,891	1,122,504	1,150,073	1,177,845	1,206,245	1,229,758	1,253,717
Interest - Deposits	10,143	10,869	11,586	12,360	13,115	13,859	14,812	21,379	30,146	37,418	42,582	43,891	46,400
Miscellaneous Expense	49,372	53,834	58,349	59,248	63,865	73,842	81,631	80,183	75,752	71,812	65,800	59,639	51,411
Interest Income	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)	(29,593)	(30,555)	(30,589)	(30,613)	(30,605)	(30,637)
Non-Electric Revenue	(88,429)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,823)	(41,298)	(46,720)	(42,836)	(46,548)	(4,829)	281
Capital Credits	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)	(108,004)	(108,004)	(118,458)	(143,388)
Margins	411,413	396,286	782,405	1,308,890	1,112,141	877,991	(516,118)	(610,132)	(589,039)	14,217	242,613	211,503	396,527
Operating Expense	12,873,528	12,747,102	12,894,804	12,901,189	12,895,092	12,892,115	13,139,176	13,220,243	13,273,058	13,489,210	13,519,228	13,574,447	13,628,882
Rolling 12 Month TIER	0.59	0.65	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99	0.80	0.83	0.88





	2019 Monthly Margins			2019 YTD Margins			2019 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37
February	\$208,319.82	\$94,493.20	\$113,826.62	\$553,089.19	\$523,364.40	\$29,724.79	\$553,089.19
March	\$278,946.97	\$203,128.50	\$75,818.47	\$832,036.16	\$726,492.90	\$105,543.26	\$832,036.16
April	\$0.00	-\$168,845.80			\$557,647.10		\$663,190.36
May	\$0.00	-\$194,339.80			\$363,307.30		\$468,850.56
June	\$0.00	-\$286,864.80			\$76,442.50		\$181,985.76
July	\$0.00	\$133,168.20			\$209,610.70		\$315,153.96
August	\$0.00	\$231,461.20			\$441,071.90		\$546,615.16
September	\$0.00	\$2,063.20			\$443,135.10		\$548,678.36
October	\$0.00	\$95,721.20			\$538,856.30		\$644,399.56
November	\$0.00	\$93,498.20			\$632,354.50		\$737,897.76
December	\$0.00	\$109,169.81			\$741,524.31		\$847,067.57





## Margins/Tier

### March

	2019	2018	2018-2016
Revenue	(2,870,470)	(2,979,693)	(2,398,416)
Purchase Power	1,512,229	1,471,013	1,388,633
<i>Gross Margins</i>	(1,358,241)	(1,508,680)	(1,009,784)
Operating Expenses	1,178,911	1,124,476	1,113,469
Margins	(278,947)	(463,971)	9,918
OTIER	3.52	6.36	0.54

### Year to Date

	2019	2018	2018-2016
Revenue	(8,990,989)	(9,668,696)	(8,308,565)
Purchase Power	4,836,406	5,279,162	4,974,197
<i>Gross Margins</i>	(4,154,583)	(4,389,534)	(3,334,369)
Operating Expenses	3,400,330	3,260,658	3,243,851
Margins	(754,253)	(1,214,346)	(204,473)
TIER	3.22	5.60	1.84



<b>2019</b>			
<b>March Bill</b>			
	<b>Average</b>	<b>HDD</b>	<b>CDD</b>
1-Mar	35	30	0
2-Mar	39	26	0
3-Mar	34	31	0
4-Mar	25	40	0
5-Mar	22	43	0
6-Mar	24	41	0
7-Mar	32	33	0
8-Mar	34	31	0
9-Mar	46	19	0
10-Mar	56	9	0
11-Mar	49	16	0
12-Mar	41	24	0
13-Mar	52	13	0
14-Mar	65	0	0
15-Mar	56	9	0
16-Mar	43	22	0
17-Mar	39	26	0
18-Mar	39	26	0
19-Mar	40	25	0
20-Mar	46	19	0
21-Mar	48	17	0
22-Mar	46	19	0
23-Mar	44	21	0
24-Mar	50	15	0
25-Mar	49	16	0
26-Mar	41	24	0
27-Mar	46	19	0
28-Mar	56	9	0
29-Mar	63	2	0
30-Mar	62	3	0
31-Mar	39	26	0
	43.9	654	0

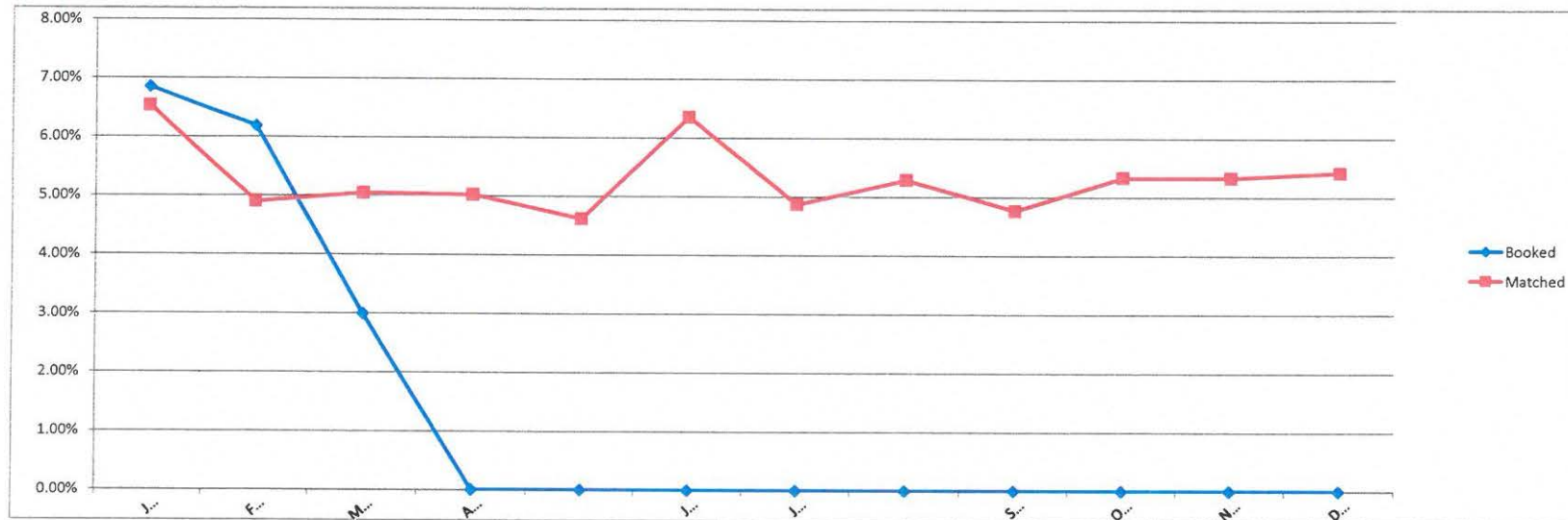
654

<b>2018</b>			
<b>March Bill</b>			
	<b>Average</b>	<b>HDD</b>	<b>CDD</b>
1-Mar	51	14	0
2-Mar	41	24	0
3-Mar	37	28	0
4-Mar	39	26	0
5-Mar	40	25	0
6-Mar	50	15	0
7-Mar	38	27	0
8-Mar	34	31	0
9-Mar	36	29	0
10-Mar	39	26	0
11-Mar	41	24	0
12-Mar	40	25	0
13-Mar	34	31	0
14-Mar	30	35	0
15-Mar	43	22	0
16-Mar	38	27	0
17-Mar	39	26	0
18-Mar	47	18	0
19-Mar	50	15	0
20-Mar	42	23	0
21-Mar	34	31	0
22-Mar	38	27	0
23-Mar	39	26	0
24-Mar	34	31	0
25-Mar	41	24	0
26-Mar	47	18	0
27-Mar	55	10	0
28-Mar	59	6	0
29-Mar	64	1	0
30-Mar	49	16	0
31-Mar	48	17	0
	42.5	698	0

698



2019	January	February	March	April	May	June	July	August	September	October	November	December	Total 2019
<b>Sales</b>	26,326,123.00	20,707,703.00	22,571,095.00										69,604,921.00
<b>2018</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	255,884,096.00
<b>Purchases:</b>													
<b>2019</b>	28,258,930.00	22,071,790.00	23,265,758.00										73,596,478.00
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	270,301,596.00
<b>kWh Loss</b>													
<b>2019</b>	1,932,807.00	1,364,087.00	694,663.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,991,557.00
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	14,417,500.00
<b>% Line Loss</b>													
<b>2019</b>	6.84%	6.18%	2.99%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.42%
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.33%



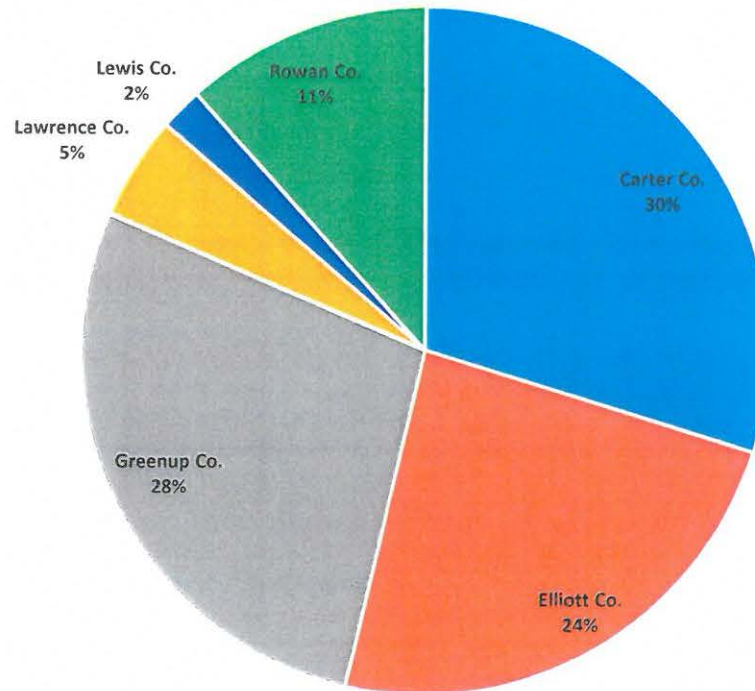




**Bills by County**

	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18
Carter Co.	4,551	4,560	4,561	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581
Elliott Co.	3,632	3,632	3,616	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661
Greenup Co.	4,255	4,266	4,274	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272
Lawrence Co.	746	744	741	760	747	761	770	761	761	763	761	766	768
Lewis Co.	307	313	311	312	313	318	323	321	314	315	311	316	310
Rowan Co.	1,773	1,799	1,770	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772
	15,264	15,314	15,273	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364

**# of Bills  
March 2019**

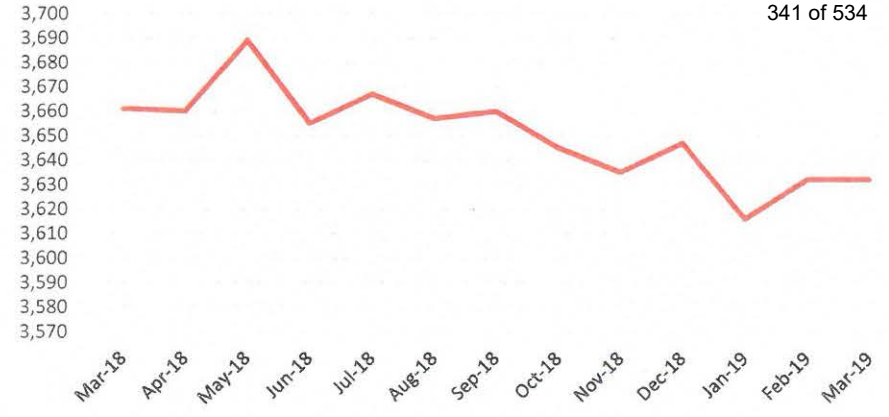




Carter Co.



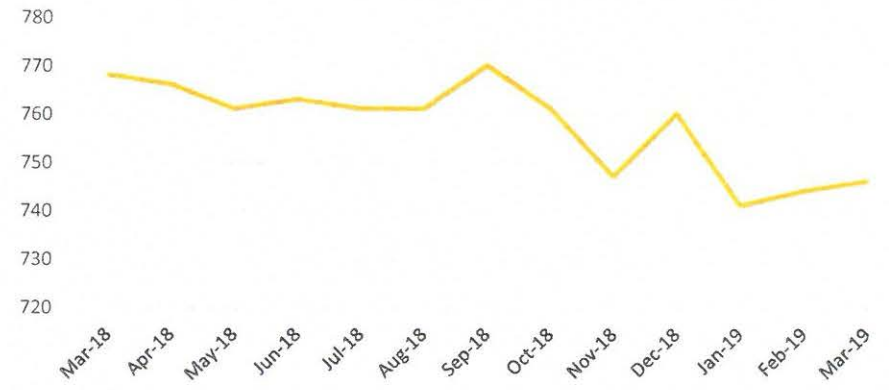
Elliott Co.



Greenup Co.



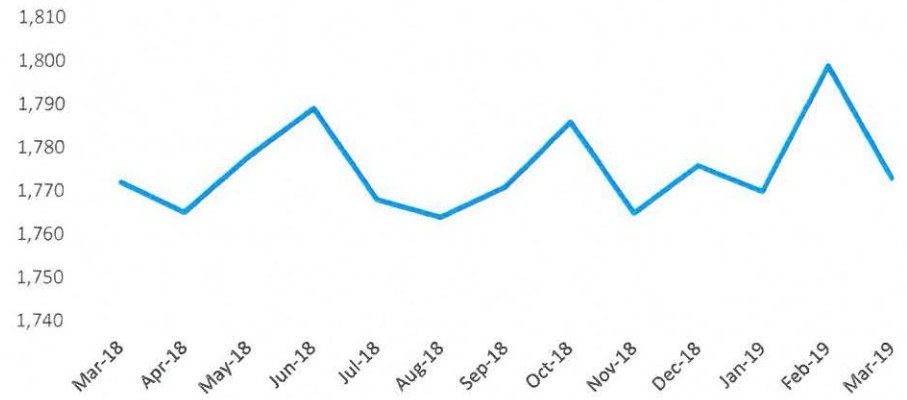
Lawrence Co.



Lewis Co.



Rowan Co.





## REVENUE SUMMARY MARCH 2019

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 387,555.69	\$ 6,136.11	\$ 5,668.26	\$ 13.75	\$ 2,793.71	\$ 25,666.40	\$ 427,833.92	\$ 9,912.33	\$ 1.04	\$ 9,414.24	2,433	3,310,707
\$ 348,566.19	\$ 4,370.58	\$ 10,548.05	\$ 22.00	\$ 1,206.64	\$ 23,110.55	\$ 387,824.01	\$ 6,848.56	\$ 100.63	\$ 8,158.24	2,865	2,907,323
\$ 74,424.48	\$ 1,195.78	\$ 1,495.82	\$ 5.50	\$ 665.00	\$ 4,966.23	\$ 82,752.81	\$ 1,984.71	\$ -	\$ 1,737.25	608	617,484
\$ 1,032,445.54	\$ 13,445.30	\$ 18,754.67	\$ 71.50	\$ 3,099.75	\$ 67,821.15	\$ 1,135,637.91	\$ 19,989.50	\$ 73.82	\$ 24,425.42	5,875	8,932,893
\$ -	\$ 10.31	\$ 1,365.19	\$ 2.75	\$ -	\$ 86.99	\$ 1,465.24	\$ 12.28	\$ 1.38	\$ 35.97	103	8,470
<b>\$ 1,842,991.90</b>	<b>\$ 25,158.08</b>	<b>\$ 37,831.99</b>	<b>\$ 115.50</b>	<b>\$ 7,765.10</b>	<b>\$ 121,651.32</b>	<b>\$ 2,035,513.89</b>	<b>\$ 38,747.38</b>	<b>\$ 176.87</b>	<b>\$ 43,771.12</b>	<b>11,884</b>	<b>15,776,877</b>
\$ 19,526.56	\$ 119.10	\$ 453.20	\$ -	\$ -	\$ 1,268.22	\$ 21,367.08	\$ 271.08	\$ -	\$ 322.06	330	95,189
\$ 19,298.03	\$ 152.62	\$ 335.98	\$ -	\$ 100.00	\$ 1,258.28	\$ 21,144.91	\$ 420.58	\$ (3.46)	\$ 292.48	332	93,500
\$ 21,835.03	\$ 132.73	\$ 721.66	\$ -	\$ 40.00	\$ 1,437.25	\$ 24,166.67	\$ 505.05	\$ 4.27	\$ 412.07	456	91,430
\$ 45,143.76	\$ 262.96	\$ 1,093.35	\$ -	\$ 64.42	\$ 2,938.73	\$ 49,503.22	\$ 571.94	\$ 174.85	\$ 1,122.77	880	199,629
\$ 7,359.53	\$ 45.34	\$ 210.80	\$ -	\$ 37.66	\$ 482.23	\$ 8,135.56	\$ 160.45	\$ 38.22	\$ 135.46	140	33,389
\$ 679.26	\$ 2.36	\$ 40.03	\$ -	\$ -	\$ 45.54	\$ 767.19	\$ 12.51	\$ -	\$ 19.31	21	1,877
\$ 1,357.60	\$ 6.35	\$ 78.29	\$ -	\$ -	\$ 91.00	\$ 1,533.24	\$ 23.70	\$ -	\$ 35.29	34	5,067
<b>\$ 115,199.77</b>	<b>\$ 721.46</b>	<b>\$ 2,933.31</b>	<b>\$ -</b>	<b>\$ 242.08</b>	<b>\$ 7,521.25</b>	<b>\$ 126,617.87</b>	<b>\$ 1,965.31</b>	<b>\$ 213.88</b>	<b>\$ 2,339.44</b>	<b>2,193</b>	<b>520,081</b>
\$ 166,346.19	\$ 1,708.55	\$ 3,563.10	\$ 2.75	\$ -	\$ 10,828.57	\$ 182,449.16	\$ 6,586.95	\$ 7,772.58	\$ 4,528.40	944	1,361,629
\$ -	\$ 2.07	\$ 291.31	\$ -	\$ -	\$ 18.52	\$ 311.90	\$ -	\$ 15.09	\$ 9.04	8	1,666
\$ 21,807.60	\$ 222.72	\$ 1,640.01	\$ -	\$ -	\$ 1,493.62	\$ 25,163.95	\$ 65.23	\$ 475.95	\$ 571.19	154	177,864
<b>\$ 188,153.79</b>	<b>\$ 1,933.34</b>	<b>\$ 5,494.42</b>	<b>\$ 2.75</b>	<b>\$ -</b>	<b>\$ 12,340.71</b>	<b>\$ 207,925.01</b>	<b>\$ 6,652.18</b>	<b>\$ 8,263.62</b>	<b>\$ 5,108.63</b>	<b>1,106</b>	<b>1,541,159</b>
\$ 187,204.69	\$ 2,535.53	\$ 971.19	\$ -	\$ -	\$ 12,033.88	\$ 202,745.29	\$ 6,847.36	\$ 6,550.75	\$ 4,982.19	69	2,023,595
\$ 116.55	\$ 0.70	\$ -	\$ -	\$ -	\$ 7.40	\$ 124.65	\$ -	\$ 7.48	\$ -	1	560
\$ 41,626.00	\$ 547.35	\$ 485.57	\$ -	\$ -	\$ 2,691.79	\$ 45,350.71	\$ -	\$ -	\$ 1,360.53	8	436,844
<b>\$ 228,947.24</b>	<b>\$ 3,083.58</b>	<b>\$ 1,456.76</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,733.07</b>	<b>\$ 248,220.65</b>	<b>\$ 6,847.36</b>	<b>\$ 6,558.23</b>	<b>\$ 6,342.72</b>	<b>78</b>	<b>2,460,999</b>
\$ 137,809.42	\$ 2,842.11	\$ 33.95	\$ -	\$ -	\$ 8,877.25	\$ 149,562.73	\$ -	\$ 5,436.88	\$ 4,486.88	2	2,268,247
<b>\$ 137,809.42</b>	<b>\$ 2,842.11</b>	<b>\$ 33.95</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,877.25</b>	<b>\$ 149,562.73</b>	<b>\$ -</b>	<b>\$ 5,436.88</b>	<b>\$ 4,486.88</b>	<b>2</b>	<b>2,268,247</b>
\$ -	\$ 4.68	\$ 613.51	\$ -	\$ -	\$ 39.01	\$ 657.20	\$ -	\$ (0.35)	\$ 20.06	1	3,732
<b>\$ -</b>	<b>\$ 4.68</b>	<b>\$ 613.51</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39.01</b>	<b>\$ 657.20</b>	<b>\$ -</b>	<b>\$ (0.35)</b>	<b>\$ 20.06</b>	<b>1</b>	<b>3,732</b>
<b>\$ 2,513,102.12</b>	<b>\$ 33,743.25</b>	<b>\$ 48,363.94</b>	<b>\$ 118.25</b>	<b>\$ 8,007.18</b>	<b>\$ 165,162.61</b>	<b>\$ 2,768,497.35</b>	<b>\$ 54,212.23</b>	<b>\$ 20,649.13</b>	<b>\$ 62,068.85</b>	<b>15,264</b>	<b>22,571,095</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 82,717.98</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,905,427.56</b>				



**MARCH 2019**  
**219 ANALYSIS**

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		21		1,075.81	(1,075.81)	
100	NEW LINE EXTENSIONS		12		44,312.61	44,312.61	3,692.72
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		5		4,653.02	4,653.02	930.60
603	SECTIONALIZERS		5		4,606.21	4,606.21	
604	REGULATORS						
606	POLES		37	POLES	179,362.14	179,362.14	4,847.63
608	CONDUCTOR CHANGE				0.00	0.00	
701	SECURITY LIGHTS		44		26,441.24	26,441.24	600.94
705	AMI EQUIPMENT						
1600	MINOR PROJECTS		4		7,146.11	7,146.11	
	TOTAL		127		<b>267,597.14</b>	<b>265,445.52</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	39		77,899.15	77,899.15	1,997.41
	METERS	370.00	0		0.00	0.00	0.00
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	RF METERS	370.30	4		652.00	652.00	163.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	TOTAL		43		<b>78,551.15</b>	<b>78,551.15</b>	
	MATERIAL				<b>82,965.34</b>		
	MATERIAL OH				<b>44,824.84</b>		
	LABOR				<b>22,164.92</b>		
	LABOR OH				<b>62,520.37</b>		









GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On June 21, 2019 at 8:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Executive Session
4. Approval of the Minutes from the May 2019 Board Meeting
5. President's Report – Carol Hall Fraley
6. KEC Director's Report – Jimmy Whitt
7. EKPC Director's Report – Kenneth Arrington/Eddie Martin
8. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for April 2019 – Bradley Cherry, Manager of Finance & Accounting
  - a. Selection of an Auditor
9. Bylaws for Consideration
10. Board Policies for Consideration
11. Cooperative Legal Matters – Derrick Willis
12. Manager of Technical Services Report – Brian Poling
13. Member Services Report – Tina Preece, Member Services Advisor
14. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
15. Approval of one hundred four(104) New Memberships and Retirement of ninety-nine (99) Existing Memberships for May 2019
16. Consider Approval of Accounts to be Charged Off to Reserve \$5,722.79.
17. Consider Approval of President's Business Expense in the Amount of \$, Director's Business Expense in the Amount of \$5,309.06 and Attorney's Business Expense in the Amount of \$2,203.56.
18. Consider Community Service and/or Donations
19. Approval of Attendance at Meetings – Directors and Employees
20. Report of Any Meetings Held
21. Confirm Date for Future Board Meeting – Friday, July 26, 2019
22. Additional Business
23. Adjourn



On May 31, 2019 at 8:10 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors present. Others present included: Carol Hall Fraley, President and CEO; Derrick Willis, Legal Counsel, Kim Bush, Executive Assistant, Andrea McCleese, Technical Services Supervisor and Bradley Cherry, Chief Financial Officer.

- INVOCATION Chairman Harold Dupuy gave the invocation.
- APPROVAL OF MINUTES Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the minutes from the April 2019 Board Meeting.
- Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the minutes from the May 9, 2019 Organizational Meeting.
- Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve the updated minutes from the May 10, 2018 Organizational Meeting and the May 10, 2018 Annual Membership Meeting Minutes.
- PRESIDENT'S REPORT President Fraley reported on the following:
- AMEND AGENDA President Fraley requested to amend the agenda to move agenda item # 8 to #22 under additional business. This would become a permanent slot for the Management Audit reports and on going discussion and action.
- SAND GAP President Fraley gave an update on the issue of AEP attempting to serve the lots in Sand Gap. In 2010 Mr. Mark Terry came into our office to apply for service at Sand Gap. He had already contacted AEP to apply for service and AEP told him the service was in our service territory. We built the line into the area. In October of 2012 AEP filed a suit against us for serving that area. We conferred with the PSC and they concluded that the variance of the lines drawn could be as much as one hundred (100) feet. The Franklin Circuit Court granted AEP the right to serve the first house and the last house in the subdivision. We appealed and lost again. AEP made no attempt to serve those lots until this past week.
- Someone called to say that AEP was building a line through Sand Gap. President Fraley called Mr. Stevens concerning changing his service to AEP. He noted that he is having too many outages. President Fraley checked and he was off once in November, when a tree fell across the line on Tunnel Branch. He claims that he was offered the opportunity to change to AEP. At this time, Mr. Stevens has not requested that his service from Grayson RECC be disconnected. AEP has also never contacted Grayson RECC. She will forward all pertinent information to Legal Counsel Willis.
- ADDITIONAL DEPOSIT LETTERS President Fraley gave an update on issues concerning 544 letters that were mailed out last week. These letters were mailed to members who did not have good credit standing with the cooperative.
- OFFICE CLOSED Motion was made by Director Whitt, seconded by Director Martin and unanimously agreed to approve closing the office on Monday, October 14, 2019 (Columbus Day) for the annual office cleaning. The office will be closed

OFFICE CLOSED (cont.)	but employees will work to clean, update and store records and other jobs, as needed.
KEC DIRECTOR REPORT	<p>Director Whitt reported on the meeting held in May. The biggest part of the meeting was discussing the Legislative Conference in Washington DC. There was a report from Federated Insurance. There was also a Legislative Committee Report providing an overview of the 2019 legislative session. It was a strong session for electric utilities and specifically Kentucky electric cooperatives by the passage of SB 100.</p> <p>There was an update on the stream-line rate case option. A couple of cooperatives (Jackson Energy and Jackson Purchase) filed a stream-line rate case. Jackson Energy's case was revenue neutral, they were just trying out this new way of doing rate cases. The PSC has attacked both Cooperatives as if they were actually filing a traditional rate case.</p>
EKPC DIRECTOR REPORT	Director Arrington gave a report from the EKPC Board Meeting. EKPC Director-Elect Martin was a visitor at the meeting in May. EKPC is asking each cooperative to provide a solar farm at each cooperative. President Fraley mentioned that she has had two members ask her about putting a solar farm on their property. President Fraley and EKPC Director-Elect Martin will discuss details on this project with EKPC Vice-President David Crews.
FINANCIAL & STATISTICAL REPORT FOR MARCH 2019	Bradley Cherry, CFO, presented the Financial & Statistical Report for March 2019:
SALES AND PURCHASES	Kilowatt hour sales for the month of March were up 8.43% over budget. Last year, sales were -0.36%. The year-to-date total was .56% over budget. Purchases for the month of March were 1.37% over budget. The year-to-date total was -.57% under budget. Line loss for March was 2.99%. The year-to-date for line loss is 5.42%. March margins were \$278,946.97 with year-to-date total margins were \$832,036.16. T.I.E.R. was 3.45.
FUEL ADJUSTMENT	The fuel adjustment for March was a charge of \$.001253.
ESC	The environmental surcharge was 6.31%.
DEGREE DAYS	There were 654 degree days, all were heating degree days.
	Purchases were down from last year by 2.47%. Year-to-date, our purchases compared to 2018 are down almost 4.77%.
BILLS	We mailed 15,264 bills for the month of March. Compared to 2018, we have 100 fewer bills.
SALES & PURCHASES	Bradley reviewed Form 219. We had 21 retirements in March, extended 12 new lines, completed no major projects, had 5 service upgrade, 5 Sectionalizers, changed 37 poles, no conductor changes, 44 security lights, and completed 4 minor projects. These items cost \$267,597.14 and \$265,445.52 was taken from loan funds. We also purchased 39 transformers and 4 RF meters with a total cost of \$78,551.15.
CAPITAL CREDITS	We paid 27 Capital Credit applications in May in the amount of \$18,854.61 and have 22 outstanding applications.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR MARCH 2019

Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for March 2019 as presented, for informational purposes only.

BYLAWS

Article IV, Section 2, Election and Tenure of Office. It was proposed to combine Lawrence and Elliott counties, due to the low number of members in Lawrence County. Director Arrington made a motion to not combine Lawrence & Elliott counties into one seat, Director Martin seconded the motion. Following discussion, Director Arrington withdrew this motion.

Director Martin made a motion to table this issue until the June board meeting, second by Director Trent and unanimously agreed to approve the motion.

BOARD POLICIES

President Fraley is reviewing our Board Policies in preparation for the Management Audit. She has formed two employee committees to look at the Board Policies on Safety and Work Rules. They haven't been updated recently. Once the committees have made their recommendations for changes and/or additions to these policies, they will be presented to the board for their consideration. These two committees will then combine and draft a policy for the Board to consider on the Board's expectations for safety.

The following board policies were presented to the board for consideration at the June board meeting:

NEW BOARD POLICY #516

Wage and Hour Compliance—This policy is proposed in line with the Kentucky Wage and Hour guidelines and rules and regulations.

BOARD POLICY #101

Policy formation and approval—this was updated that it should be reviewed bi-annually. Employees can make suggestions for new policies.

BOARD POLICY #102

Functions of the Board of Directors—reviewed bi-annually.

President Fraley asked the Board to review these policies and changes and be ready to consider them at the June Board Meeting.

COOPERATIVE LEGAL  
REPORT

Legal Counsel Willis presented contracts for President & CEO and Legal Counsel Willis.

PRESIDENT & CEO'S  
CONTRACT

The President & CEO contract is retroactive to January 1, 2019 and is for a three-year term. The board dispensed with the reading of the contract for President & CEO. The contract is attached to these minutes.

Motion made by Director Trent and seconded by Director Martin and unanimously agreed to approve the contract for President Fraley.

DERRICK WILLIS'  
CONTRACT

President Fraley read the contract for Legal Counsel Willis in its entirety to board of directors. Contract will be retroactive to Legal Counsel state date of March 1, 2019. The contract is attached to these minutes.

Motion made by Director Martin and seconded by Director Bentley and unanimously agreed to approve the contract for Legal Counsel Derrick Willis.

MANAGER OF  
TECHNICAL SERVICES

Brian Poling, Manager of Technical Services reported on the following:

Brian shared a slideshow showing the area of current deployment of the new metering system. Currently the information from the meters is coming back

MANAGER OF TECHNICAL SERVICES (cont.) to the office within minutes of being installed. We can get readings every 15 minutes, if needed. There are alerts that will notify us immediately if there is a problem with the meter, such as someone trying to pull the meter.

Robert Brown, GIS Technician gets several calls throughout the month concerning 811 Calls from the state of Kentucky. He uses our maps to show where underground service is located in our service territory. In May he had 81 requests for locates and only had to go out to check on four due to the information available on the system map.

MEMBER SERVICES REPORT Sherry Conley, Member Services Supervisor reported on the following:

PREPAY We have 792 Pre Pay active accounts and 13 inactive accounts. 3,168 payments were made in the past 30 days with an average of \$31.83 per payment. There are 42 Pre Pay accounts with Debt Management.

Tina completed 9 energy audits in April, 1 Commercial Lighting and one net metering inquiry.

544 Additional Deposit letters were mailed.

LIHEAP We have received \$234,062.26, in payments from all LIHEAP agencies through the end of May. LIHEAP was extended through April 30th this year but we did receive one voucher in May.

ROW EASEMENTS 10 easements were recorded in May. Total easements recorded since November 2017 is 1,181.

OPERATIONS REPORT Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

EMPLOYEE/LOST TIME ACCIDENT There were no lost time accidents to report for the month of April.

SAFETY REPORT April 1, 2019, Bradley Cherry, Manager of Finance & Accounting, was in charge of meeting. Bradley and Carol Ann discussed the PSC ruling on the 2018 Rate case and went over the upcoming Management and Board of Directors audit that will be taking place soon. They answered questions that the employees may have had regarding the audit.

April 9, 2019, Kyle Clevenger, Manager of Operations, was in charge of meeting. Tony Dempsey with KAEC was our guest speaker. He presented a power point on Chainsaw Safety. Topics that were discussed was parts of a chainsaw, safety features, caring to the saw daily, wear personal protective equipment, types of hazards, correct starting methods, and ground and leg lock method. Kyle explained that it was going to be a pretty day, be safe and go home tonight.

April 22, 2019, Andrea McCleese, Technical Services Supervisor, was in charge of meeting. She read the Administrative guidelines on Reporting Accidents, discussed Cyber Security and requested to be careful opening emails, and talked about the importance of information and equipment going into the field. Employees had an open discussion on theft of meters. Kyle Clevenger requested that everyone be careful this week.



SAFETY REPORT (cont.) April 29, 2019, Mike Martin, Assistant Manager of Operations, was in charge of meeting. He played a Podcast of Heath Martin safety director at Northfork Electric Cooperative in Oklahoma. He shared his harrowing story of a mistake early in his career as a lineworker that could have cost him his life and the lessons he took away from the incident. Also Bud Branham, NRECA's safety director and Corey Parr, safety and loss control program at Federated Rural Electric Insurance discuss the hazards of the work that line crews so and good practices for staying safe.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

JOBS BUILT Construction built one hundred twenty-seven (127) new work orders (including 12 services added and 14 services retired) for the month of April and worked zero (0) hours of overtime.

DELINQUENT NOTICES There were one hundred, sixty-five (165) delinquents for May. Fifty-seven (57) cards were issued to be disconnected and nineteen (19) accounts were disconnected by remote meter on May 7 for cycle 1. Seventy-two (72) cards were issued to be disconnected and seventeen (17) accounts were disconnected by remote meter on May 14 for cycle 2. Field personnel disconnected a total of thirteen (13) meters and a total of nineteen (19) meters were reconnected by field personnel and remote.

OVERTIME HOURS The Maintenance Department worked one hundred sixty (160) hours of overtime; Maintenance worked eighty-four (84) work order overtime hours. The Engineering Department worked five (5) hours overtime hours in April.

CONTRACT CREWS We have one (1) Pike crew working. Charlie Tim Ratcliff is working on coordination and pole changes in various counties.

RIGHT-OF-WAY CREWS We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 798 trees, cut 1,008 trees, cut 26,210 feet of brush/line and sprayed 93 spans of line. The crews are working in the following areas:

- 1 cutting crews in Carter, Lewis, & Greenup Counties
- 1 cutting crews in Rowan County
- 2 cutting crews in Lawrence and Elliott County
- 1 bucket truck crew in Carter, Lewis, & Greenup counties
- 1 bucket truck crew in Rowan County
- 1 bucket truck crew in Elliott County
- 1 tractor crew in Carter County
- 2 Spray Crews in Elliott County
- 1 Smith Tree Service, circuit crew on Rt 32, Lawrence County.

ENGINEERING REPORT The Engineering Department released one hundred (100) prints consisting of 2,604 feet of primary line and 2,277 feet of service wire.

They currently have four (4) new services to be staked and four (4) to be drawn. There are eight (8) miscellaneous jobs to be staked or drawn.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve ninety-nine (99) new memberships and retirement of eighty-two (82) existing memberships for April 2019.

BAD DEBT WRITE-OFFS Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to charge off \$8,934.73 worth of bad debts and turn them over for collection. Most of this total includes the Windstream Bankruptcy that we still hope to recover through their Irrevocable Letter of Credit.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES Motion was made by Director Trent seconded by Director Bentley and unanimously agreed to approve the President's business expense of \$82.35, Director's business expenses of \$6,909.56, and Attorney's business expense of \$2,100.00

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:

Lewis Co 4H Kentucky Youth Seminar	\$200
Raceland-Worthington Touchdown Club	\$175
Lewis County Public Library Summer	\$100
East Carter FFA Leadership training	\$125
The Galaxy Project	\$ 50
Grayson Gallery Heart of the Parks	\$150
Lewis Co High School Golf Team	<u>\$100</u>
TOTAL	<b>\$900</b>

Motion was made by Director Whitt, seconded by Director Trent and unanimously agreed to approve the donations as presented.

APPROVAL OF ATTENDANCE TO MEETINGS Directors Trent, Martin, Dupuy and Arrington will attend the EKPC Annual Meeting on Tuesday, June 11, 2019 in Winchester.

Bradley Cherry, CFO, will attend the NCFC Annual Meeting in New York City in July.

BOARD MEETING DATE The June Board Meeting will be held on Friday, June 21<sup>st</sup> at 8:00 a.m.

MANAGEMENT AUDIT Ms. Fraley discussed with the board members the list of the items to be considered going forth with the Management Audit.

Guidelines were updated and prioritized for the Management Audit and included:

1. Review Statement of Ideals and Statement of Objectives, correct if necessary.
2. Review Jeffrey's health insurance and consider advice of counsel. Ongoing, settle by September or October.
3. Consider Wage and Salary Plan to be independent of Union Contract—start now.
4. Legal Counsel Derrick Willis' contract.—COMPLETED 5/31/19  
President Fraley's contract.—COMPLETED 5/31/19
5. Health Insurance—PSC urge us to require employees to pay some portion of their medical/health insurance.—NOW
6. Board Expenses—review and consider per diem, # of Board Members, Elections, etc. Start now and ongoing.

MANAGEMENT AUDIT (cont.)

7. Tie all relevant expenses to the budget and to T.I.E.R. Be sure to make this a part of the board minutes. Document specifics on large projects.
8. Review Board Policies—on going
9. Review Bylaws—on going
10. Create a committee on safety and a committee on work rules and prepare policies to be presented to the Board for their consideration.--STARTED
11. Combine the safety committee and work rules committee to create a policy on board expectations on safety, to be presented to and considered by the Board
12. Consider a monthly outage report to be included in the board minutes.—on going
12. Review and revise Rules & Regulations on file with the KY PSC.
13. Make T.I.E.R. based on the best information available to determine.
14. No lost-time accidents.
15. Contingency for storms within our budget.
16. Review and create a written plan for our bidding processes with our contractors.

Other items may be added as needed.

Motion made by Director Martin and seconded by Director Whitt to adopt the proposed guidelines going forward with the Management Audit. All were in favor and the motion was approved.

2013/2018 RATE CASE ISSUES

President Fraley identified the issues in the 2013 rate case and compared them with those in the 2018 case.

President Fraley said that her remaining report was predicated on the issues of the number of Directors on the Board and on decisions on Board expenses. Since one issue was tabled and no action was taken on the second issue, her report was irrelevant at this time.

ADDITIONAL BUSINESS

There was no additional business to bring before the Board of Directors.

ADJOURN

Motion Bentley made a motion to adjourn. Chairman Dupuy adjourned the meeting at 11:57 p.m.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

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Derrick Willis, Legal Counsel

**PRESIDENT AND CHIEF EXECUTIVE OFFICER  
EMPLOYMENT AGREEMENT**

**THIS AGREEMENT**, made and entered into this the 31 day of May, 2019, by and between **CAROL ANN FRALEY**, hereinafter referred to as **PRESIDENT and CHIEF EXECUTIVE OFFICER (CEO)**, and **GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION**, a corporation authorized and existing under the laws of the Commonwealth of Kentucky with its principal place of business located at 109 Bagby Park, Grayson, Kentucky, hereinafter referred to as **COMPANY**;

**WHEREAS**, COMPANY AND CEO have entered into previous employment contracts; and

**WHEREAS**, said Employment Contracts have been extended on multiple occasions; and

**WHEREAS**, the last Employment Contract extension expired December 31, 2018; and

**WHEREAS**, CEO has been continuing to operate as CEO for COMPANY; an

**WHEREAS**, COMPANY is desirous of continuing the relationship with CEO; and

**WHEREAS**, the parties are desirous of entering into a written contract setting forth the terms and conditions of employment;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter contained, the parties do hereby agree as follows:

A. **TERM**—COMPANY agrees to retain CEO as a full time employee as President and CEO with all the duties set forth in applicable Board Policies and Kentucky law commencing January 1st, 2019, for a period of three years unless this agreement is earlier terminated as provided for herein.

B. **DUTIES**—PRESIDENT and CEO hereby agrees to serve as a full time employee, performing executive functions assigned by the Board of Directors, acting at any duly fixed meeting of the Board of Directors, and to follow the policies of the Board of Directors as set out in a written Board Policy Manual as may be from time to time amended by proper action of the Board of Directors.

C. **EXCLUSIVENESS OF SERVICES**—PRESIDENT and CEO hereby agrees that during the term of this agreement she will make available her services solely and exclusively to the COMPANY, and that during such time she will not render any similar services for her own account, or any services for any other person, firm or corporation without first obtaining the prior written consent of COMPANY.

**D. CONFIDENTIALITY**—All data or information concerning the business activities of COMPANY, which PRESIDENT and CEO acquires or has acquired in connection with or as a result of the performance of services for COMPANY, whether under this agreement or prior to the effective date of this agreement, shall be kept secret and confidential by PRESIDENT and CEO and shall be revealed only to the COMPANY unless COMPANY otherwise consents. This covenant of confidentiality shall extend beyond the term of this agreement and shall survive the termination of this agreement for any reason.

**E. COMPENSATION AND BENEFITS**—

1. For her services under this agreement, COMPANY shall pay PRESIDENT and CEO an annual base salary of not less than \$143,984.00, payable in 52 equal weekly installments paid on Friday of each week commencing January 1, 2019. At no time during the term of this agreement will such salary be reduced below the level indicated above. This salary will be reviewed by the Board of Directors of the COMPANY in January of each year to determine whether the salary is to be adjusted based upon all relevant factors.

**F. COMPANY BENEFITS**—PRESIDENT AND CEO shall be entitled to participate in and receive any and all other benefits including medical and life insurance benefits, pension, retirement and disability benefits (long term and short term) and other benefits and programs as are now or hereafter may be customarily made available to all other employees of COMPANY, including paid vacation. CEO shall be entitled to vacation earned in accordance with Board Policy 510. CEO shall further be entitled to have her use and possession on a 24 hour per day basis a suitable vehicle to be purchased by COMPANY maintained and kept in good looking and working condition, at the expense of COMPANY.

**G. EXPENSES**—COMPANY agrees to reimburse PRESIDENT and CEO for reasonable traveling and other expenses incurred in the rendering of services by PRESIDENT and CEO under this agreement in accordance with such policy or policies as may from time to time be established by company and in effect pertaining to such expenses.

**H. TERMINATION**—

1. **DEATH**—Upon the death of PRESIDENT and CEO this agreement shall immediately terminate and payment of compensation to PRESIDENT and CEO shall cease. However, all other benefits will be concluded in accordance with Board Policies

2. **DISABILITY**—Should PRESIDENT and CEO be unable to perform her obligations under this agreement on account of illness or disability, payments of compensation and benefits shall continue to be made to her under this agreement in accordance with the COMPANY'S policy

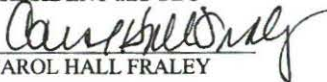
then in effect for other active company employees and if she is unable to resume her duties under this agreement at the end of such continuation period, PRESIDENT and CEO'S employment and this agreement shall then immediately terminate and payment of compensation to PRESIDENT and CEO shall cease; provided, however, such termination shall not cause PRESIDENT and CEO to lose those benefits to which she is entitled solely by reason of her illness or disability pursuant to any plan or program of company then in effect, and any benefits in accordance to which she is entitled under Board Policies.

I. **GOVERNING LAW**—This agreement shall be governed by, construed under, and in accordance with, the laws of the Commonwealth of Kentucky.

J. **ENTIRE AGREEMENT**—This agreement contains all of the terms, conditions and promises of the parties hereto. No modification or waiver of this agreement, or of any provision thereof, shall be valid or binding, unless in writing and executed by both of the parties hereto. No waiver by either party or any breach of any term or provision of this agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.

*IN WITNESS WHEREOF*, the parties hereto have executed this agreement as of the day and year first above written.

**PRESIDENT and CEO**

  
CAROL HALL FRALEY

  
WITNESS

**GRAYSON RURAL ELECTRIC**

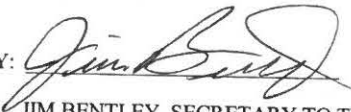
**COOPERATIVE CORPORATION**

BY: 

HAROLD DUPUY, CHAIRMAN OF

THE BOARD OF DIRECTORS

ATTEST:

BY:   
JIM BENTLEY, SECRETARY TO THE  
BOARD OF DIRECTORS



**WILLIS LAW OFFICE, LLC.**  
**EMPLOYMENT AGREEMENT**

**THIS AGREEMENT**, made and entered into this the 31 day of May, 2019, by and between **WILLIS LAW OFFICE**, hereinafter referred to as **ATTORNEY**, and **GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION**, a corporation authorized and existing under the laws of the Commonwealth of Kentucky with its principal place of business located at 109 Bagby Park, Grayson, Kentucky, hereinafter referred to as **RECC**:

**WHEREAS**, Grayson RECC is in need of retaining counsel to provide legal services and provide day-to-day legal advice;

**WHEREAS**, Attorney is desirous of entering into a contract to provide said services to RECC;  
and

**WHEREAS**, the parties have reached an Agreement and hereby wish to reduce said agreement to writing:

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter contained, the parties do hereby agree as follows:

- A. **TERM**—RECC agrees to retain ATTORNEY as a contract employee with all the duties set forth in applicable Board Policies and Kentucky law commencing March 1st, 2019, for a period of one (1) year unless ATTORNEY terminates said employment, in writing as provided for herein.
- B. **DUTIES**—ATTORNEY shall provide general legal services at the request of the Board of Directors and/or the President, CEO.
- C. **EXCLUSIVENESS OF SERVICES**—The parties agree ATTORNEY is a contract employee with RECC and is permitted to practice law in all other areas which do not directly conflict with ATTORNEY'S duties owed to RECC.
- D. **CONFIDENTIALITY**—All data or information concerning the business activities of RECC, which ATTORNEY acquires or has acquired in connection with or as a result of the performance of services for RECC, whether under this agreement or prior to the effective date of this agreement, shall be kept secret and confidential by ATTORNEY and shall be revealed only to the RECC unless RECC otherwise consents. This covenant of confidentiality shall extend beyond the term of this agreement and shall survive the termination of this agreement for any reason.



**E. COMPENSATION AND BENEFITS—**

1. For his services under this agreement, RECC shall pay ATTORNEY a monthly retainer of One Thousand Five Hundred Dollars (\$1,500.00) per month on the first day of each month. The ATTORNEY shall bill this retainer at the rate of One Hundred Fifty Dollars (\$150.00) per hour. All worked performed in excess of 10 hours shall be billed at ATTORNEY'S hourly rate.

**F. COMPANY BENEFITS—**ATTORNEY shall not receive retirement or insurance benefits under this Contract.

**G. EXPENSES—**RECC agrees to reimburse ATTORNEY for reasonable traveling and other expenses incurred in the rendering of services by ATTORNEY including his hourly rate while travelling and reimbursement at the United States Federal Government's mileage calculation. Reimbursement for mileage, lodging, and other travel expenses shall be paid by separate payment than the ATTORNEY'S monthly billable payment for services rendered.

**H. TERMINATION:** This Agreement shall not be terminated for a period of one (1) year unless ATTORNEY terminates the agreement in writing to the Board of Directors.

**I. GOVERNING LAW—**This agreement shall be governed by, construed under, and in accordance with, the laws of the Commonwealth of Kentucky.

**J. ENTIRE AGREEMENT—**This agreement contains all of the terms, conditions and promises of the parties hereto. No modification or waiver of this agreement, or of any provision thereof, shall be valid or binding, unless in writing and executed by both of the parties hereto. No waiver by either party or any breach of any term or provision of this agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.

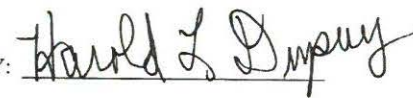
*IN WITNESS WHEREOF*, the parties hereto have executed this agreement as of the day and year first above written.

**ATTORNEY**

  
HON. DERRICK E. WILLIS


  
WITNESS

**GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION**

BY: 

HAROLD DUPUY, CHAIRMAN OF  
THE BOARD OF DIRECTORS

ATTEST:

BY: 

JIM BENTLEY, SECRETARY TO THE  
BOARD OF DIRECTORS

































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**President & CEO's Expenses**  
31-May-19

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<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
4/19/2019	177112	VERIZON PHONE CHARGES	\$71.24
4/30/2019	177192	VISA-MEAL-MEETING WITH CONTRACTOR	\$11.27
4/30/2019	177192	VISA-MEAL-KY LIVING PHOTO SHOOT/STORY	\$10.00
Total CEO Expenses			\$92.51

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## DIRECTORS & ATTORNEY EXPENSES

April-19

**KENNETH ARRINGTON**

Per Diem	- GRECC Bd. Mtg. (4/26)	\$ 346.40
MISC	-	-
VISA	-	-
NRECA	-	-
KAEC	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 984.52</b>

**JIM BENTLEY**

Per Diem	- GRECC Bd. Mtg. (4/26)	\$ 301.16
MISC	-	-
VISA	-	-
NRECA	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 939.87</b>

**HAROLD DUPUY**

Per Diem	- GRECC Bd. Mtg. (4/26)	\$ 334.80
MISC	-	-
VISA	- Credit - Hotel NRECA Annual Mtg.	(322.88)
NRECA	-	-
KAEC	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 650.25</b>

**EDDIE MARTN**

Per Diem	GRECC Bd. Mtg. (4/26)	\$ 309.28
MISC	-	-
VISA	-	-
NRECA	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 947.99</b>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (4/26)	\$ 340.60
<b>MISC</b>	-	-
<b>VISA</b>	- Credit - Hotel NRECA Annual Mtg.	(322.88)
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 655.84</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (4/26)	\$ 324.36
<b>MISC</b>	-	-
<b>VISA</b>	- KAEC Bd. Mtg. (3/18-19)	167.52
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,130.59</u>

**WILLIS LAW OFFICE**

<b>Mo. Hours</b>	- March 13.6 hours	\$ 2,040.00
<b>MISC</b>	- Mileage - PSC Rate Case Hearing	163.56
<b>VISA</b>	-	-
<b>Excess Hrs</b>	-	-
<b>Out-of-Pocket</b>	-	-
<b>NRECA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 2,203.56</u>

































PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	80,645,092.55	30.0	MEMBERSHIPS	154,280.00-
2.0	CONSTRUCTION WORK IN PROGRESS	593,718.66	31.0	PATRONAGE CAPITAL	26,546,766.13-
3.0	TOTAL UTILITY PLANT	81,238,811.21	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	25,814,897.44-	33.0	OPERATING MARGINS-CURRENT YEAR	603,104.75-
5.0	NET UTILITY PLANT	55,423,913.77	34.0	NON-OPERATING MARGINS	22,747.47
			35.0	OTHER MARGINS & EQUITIES	190,710.55
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	27,090,692.86-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	16,799,934.12	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	634,222.31	38.0	LNG-TERM DEBT-FFB-RUS GUAR	27,986,301.98-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	16,026,033.30-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	17,434,255.08	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	44,012,335.28-
15.0	CASH - GENERAL FUNDS	287,957.61			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,202,287.21-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,202,287.21-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	2,638,701.88	47.0	NOTES PAYABLE	715,000.00-
21.0	ACCTS RECV - OTHER (NET)	219,659.89	48.0	ACCOUNTS PAYABLE	1,818,472.10-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,284,443.99-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	1,398,991.17	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	471,608.26	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	2,514.61	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	5,019,433.42	53.0	OTHER CURRENT & ACCRUED LIAB	939,781.69-
			54.0	TOTAL CURRENT & ACCRUED LIAB	4,757,697.78-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,274,603.15	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	89,192.29-
29.0	TOTAL ASSETS & OTHER DEBITS	79,152,205.42	57.0	TOTAL LIABILITIES & OTH CREDIT	79,152,205.42-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	16,230.84
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	16,230.84

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.  
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

*Bradley Cherry*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Carol Hill Drey*  
SIGNATURE OF MANAGER

06/07/2019  
DATE

6/10/2019  
DATE



PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	11,956,723.76	10,982,560.37	11,321,384.54	1,991,571.59	3.0-	8.1-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	6,571,076.88-	6,043,469.00-	6,295,808.32-	1,207,063.00-	4.0-	8.0-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	523,142.30-	390,318.38-	478,893.76-	12,561.96-	18.5-	25.4-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,115,013.33-	1,249,967.34-	1,215,491.52-	330,831.31-	2.8	12.1
8.0	CONSUMER ACCOUNTS EXPENSE.....	409,735.86-	403,929.04-	391,447.12-	91,393.48-	3.2	1.4-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	66,168.64-	61,657.52-	60,525.88-	12,576.48-	1.9	6.8-
10.0	SALES EXPENSE.....	7,238.24-	1,142.13-	7,030.72-	269.74-	83.8-	84.2-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	651,214.94-	635,269.44-	699,243.92-	165,401.06-	9.1-	2.4-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	9,343,590.19-	8,785,752.85-	9,148,441.24-	1,820,097.03-	4.0-	6.0-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,192,675.72-	1,212,052.43-	1,226,106.64-	305,675.98-	1.1-	1.6
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	13,692.00-	11,676.00-	12,916.64-	2,919.00-	9.6-	14.7-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	358,604.42-	449,987.34-	403,333.28-	110,143.39-	11.6	25.5
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	31,005.22-	17,807.11-	16,666.60-	4,628.78-	6.8	42.6-
19.0	OTHER DEDUCTIONS.....	4,173.61-	4,320.00-	4,258.28-	1,395.00-	1.4	3.5
20.0	TOTAL COST OF ELECTRIC SERVICE.....	10,943,741.16-	10,481,595.73-	10,811,722.68-	2,244,859.18-	3.1-	4.2-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	1,012,982.60	500,964.64	509,661.86	253,287.59-	1.7-	50.5-
22.0	NON OPERATING MARGINS - INTEREST.....	9,821.38	9,940.48	9,999.92	2,536.26	.6-	1.2
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	9,252.98	32,687.95-	2,152.12	2,959.09	618.9-	453.3-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	3,886.64-	.00	3,886.64-	100.0-	100.0-
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	181,738.16	106,026.75	35,833.20	.00	195.9	41.7-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	1,213,795.12	580,357.28	557,647.10	251,678.88-	4.1	52.2-
RATIOS							
TIER		4.385	2.290	2.383	1.285-		
MARGINS TO REVENUE		.102	.053	.049	.126		
POWER COST TO REVENUE		.550	.550	.556	.606		
INTEREST EXPENSE TO REVENUE		.030	.041	.036	.055		
CURRENT ASSETS : CURRENT LIABILITIES		1.0550					
MARGINS & EQUITIES AS % OF ASSETS		.3423					
LONG TERM DEBT AS % OF PLANT		.5418					
GENERAL FUNDS TO TOTAL PLANT		.3546					
QUICK ASSET RATIO		.7610					



## DATA ON TRANSMISSION AND DISTRIBUTION PLANT APRIL 2019

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	49	53	5. Miles Transmission		
2. Services Retired	130	52	6. Miles Distribution-Overhead	2,431.07	2,433.68
3. Total Services in Place	18,071	18,151	7. Miles Distribution-Underground	42.77	44.02
4. Idle Services (Exclude Seasonal)	2,705	2,803	8. Total Miles Energized (5 + 6 + 7)	2,473.84	2,477.70





# Grayson Rural Electric Financial Report

June 21, 2019

At A Glance....

April

<u>kWh Sales (4/01 - 4/30)</u>		<u>Margins</u>	
Month	-10.96%	Month \$	(251,678.88)
YTD	-1.75%	YTD \$	580,357.28
<u>kWh Purchases (4/01 - 4/30)</u>		<u>TIER</u>	
Month	-9.33%	Month	(1.29)
YTD	-2.31%	YTD	2.29
<u>Line Loss</u>			
Month	6.63%		
YTD	5.65%		

Fuel Adjustment (0.008967)

ESC 6.31%

Degree Days 218

Heating Degree Days 193

Cooling Degree Days 25

Notes:

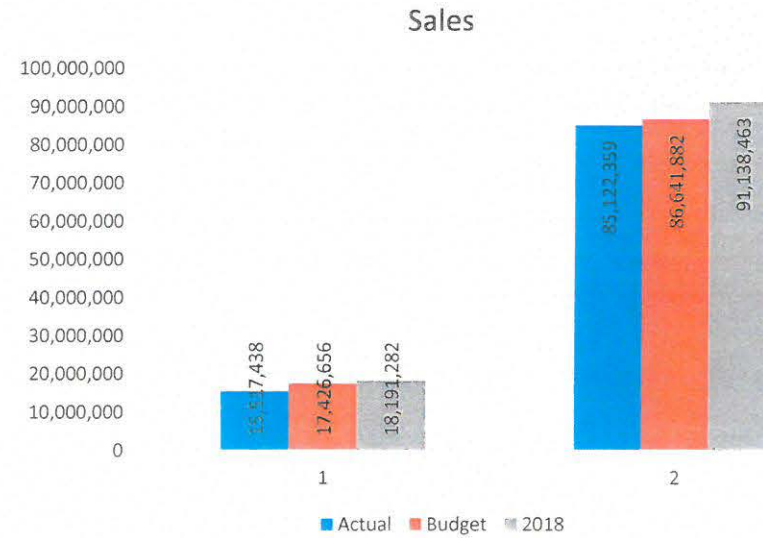
- Capital Credits
- Auditor
-



### Sales

#### April

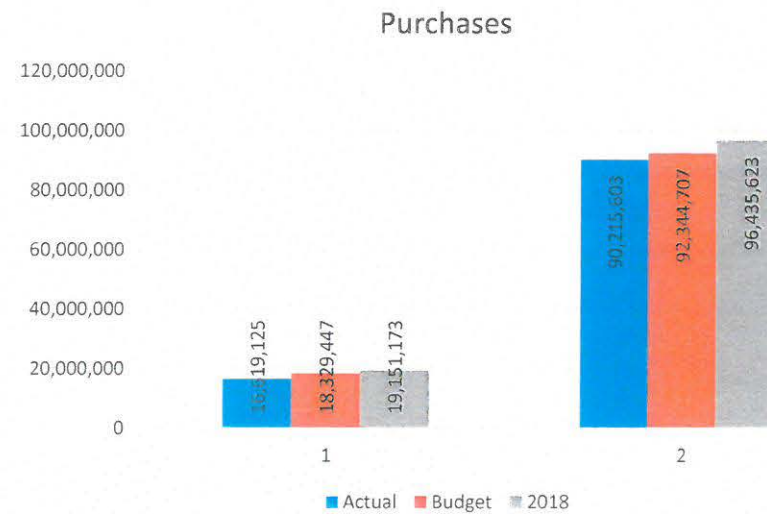
	2019	2018	2018-2016
Actual	15,517,438	18,191,282	16,525,029
Budget	17,426,656		
Difference	(1,909,218)	(2,673,844)	(1,007,591)
	-10.96%	-14.70%	-6.10%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	85,122,359	91,138,463	82,001,446
Budget	86,641,882		
Difference	(1,519,523)	(6,016,104)	3,120,913
% Difference	-1.75%	-6.60%	3.81%



### Purchases

#### April

	2019	2018	2018-2016
Actual	16,619,125	19,151,173	17,910,997
Budget	18,329,447		
Difference	(1,710,322)	(2,532,048)	(1,291,872)
	-9.33%	-13.22%	-7.21%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	90,215,603	96,435,623	91,178,713
Budget	92,344,707		
Difference	(2,129,103)	(6,220,020)	(963,110)
% Difference	-2.31%	-6.45%	-1.06%

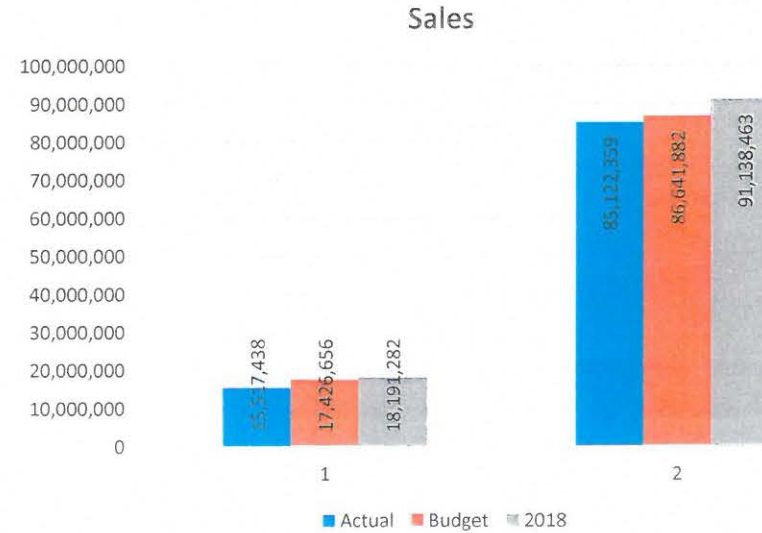




**Sales**

**April**

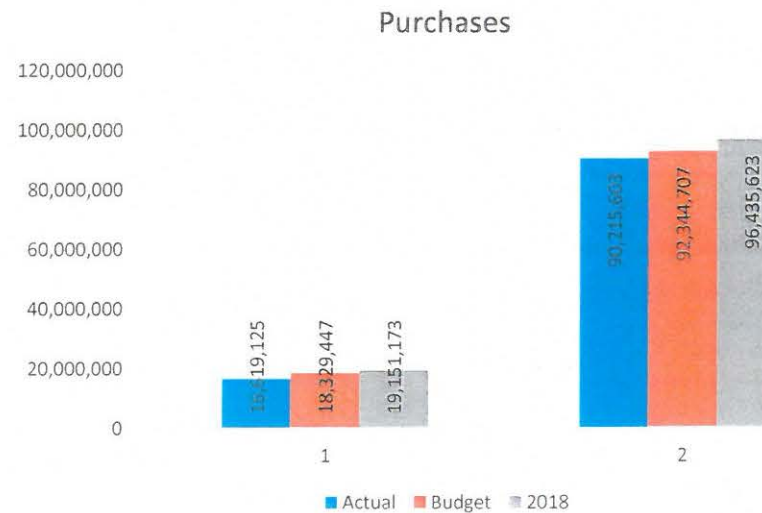
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Budget	17,426,656		
Difference	(1,909,218)	(2,673,844)	(1,007,591)
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<hr/>			
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**Purchases**

**April**

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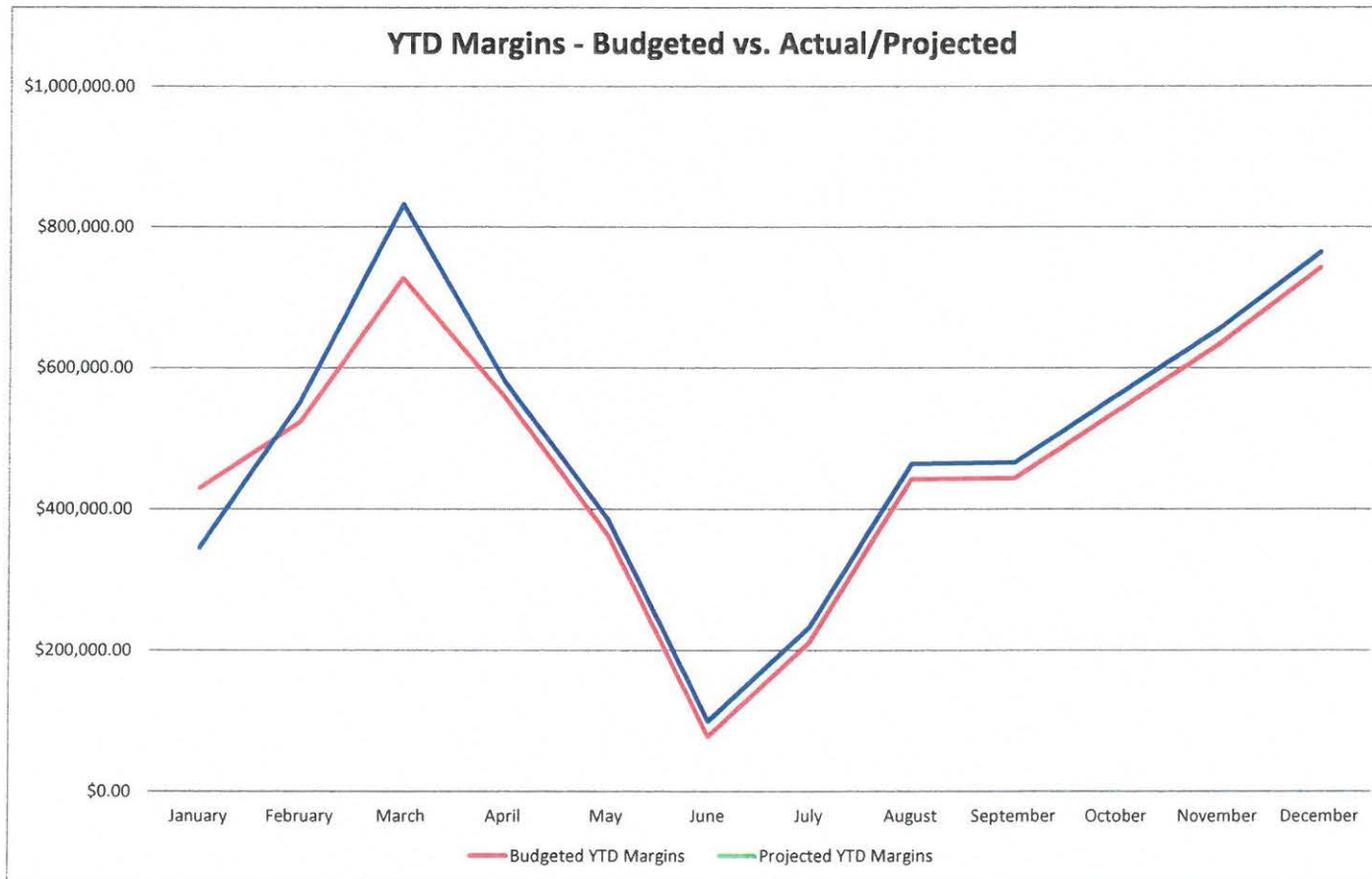
Monthly Operating Revenue & Expenses

	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019
Revenue	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)	(2,813,944)	(3,334,161)	(2,786,358)	(2,870,470)	(1,991,572)
Purchased Power	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572	1,871,104	1,453,073	1,512,229	1,207,063
Gross Margins	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)	(1,463,057)	(1,333,285)	(1,358,241)	(784,509)
Operations	121,094	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840	118,526	128,370	130,860	12,551
Maintenance	279,989	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689	259,448	305,219	354,468	330,831
Customer Service	103,940	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478	112,960	101,311	98,265	91,393
Informational Advertising	11,762	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538	15,856	15,369	17,855	12,576
Demonstration Advertising	1,694	2,213	1,699	905	1,773	567	1,293	399	463	16	229	627	270
Admin & General	188,694	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431	186,397	128,357	155,114	165,401
Depreciation	298,921	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425	300,960	302,398	303,019	305,676
Regulatory	3,423	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,556	2,919	2,919	2,919	2,919
Interest - LTD	111,649	94,467	94,451	95,142	96,872	98,224	98,599	111,463	111,006	118,602	110,710	110,532	110,143
Interest - Deposits	1,391	1,394	1,445	1,423	1,414	1,424	7,435	9,431	7,865	6,572	2,705	3,901	4,629
Miscellaneous Expense	6,266	5,408	2,663	6,167	13,937	11,869	801	531	845	700	875	1,350	1,395
Interest Income	(2,465)	(2,468)	(2,455)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)	(2,493)	(2,455)	(2,456)	(2,536)
Non-Electric Revenue	(1,783)	582	(2,190)	(1,959)	(2,238)	(1,166)	(599)	(5,613)	(400)	(2,176)	41,766	(3,943)	(2,959)
Capital Credits	-	-	-	-	(35,097)	(2,274)	-	-	-	-	(12,808)	(93,219)	-
Margins	128,483	394,450	424,432	(72,750)	(227,576)	98,238	212,618	109,934	160,857	(344,768)	(208,320)	(278,947)	247,791
* ( )'s = positive margins													
Operating Expenses	1,128,823	1,201,983	1,099,689	1,109,213	1,108,436	1,186,054	1,149,321	1,086,915	1,160,137	1,122,957	1,098,462	1,178,911	1,037,795
Monthly OTIER	(0.15)	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.16)	0.01	(0.45)	3.91	2.88	3.52	(1.25)
Revenue	(30,165,783)	(30,045,070)	(29,636,079)	(29,768,361)	(30,237,157)	(31,836,011)	(32,014,571)	(32,045,613)	(31,593,287)	(31,045,488)	(31,024,904)	(30,915,580)	(30,619,124)
Purchased Power	18,001,800	18,146,334	18,262,872	18,193,238	18,164,663	18,381,224	18,383,091	18,388,794	18,209,724	17,954,038	17,815,752	17,858,069	17,772,116
Gross Margins	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,115)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)	(13,091,450)	(13,209,052)	(13,058,611)	(12,847,008)
Operations	1,340,835	1,371,826	1,397,184	1,388,355	1,382,561	1,441,631	1,431,767	1,379,997	1,397,789	1,363,105	1,364,338	1,373,496	1,284,864
Maintenance	3,372,897	3,360,487	3,360,363	3,330,367	3,375,194	3,483,795	3,485,240	3,522,854	3,835,745	3,636,600	3,690,522	3,719,857	3,770,699
Customer Service	1,095,572	1,105,770	1,104,811	1,108,900	1,123,980	1,126,096	1,131,052	1,156,368	1,192,806	1,194,904	1,201,073	1,199,636	1,187,099
Informational Advertising	241,598	230,186	229,033	225,044	224,265	212,260	208,032	201,686	197,483	202,300	193,680	192,137	192,552
Demonstration Advertising	21,489	21,415	21,626	21,189	21,089	20,168	19,771	18,400	16,610	14,549	12,863	11,838	10,414
Admin & General	2,003,064	2,102,218	2,061,491	2,069,213	2,078,990	2,059,636	2,105,768	2,117,378	2,137,120	2,185,183	2,146,890	2,144,468	2,121,175
Depreciation	3,624,341	3,634,829	3,544,421	3,555,232	3,569,711	3,676,075	3,580,618	3,585,984	3,589,787	3,593,539	3,597,976	3,602,409	3,609,164
Regulatory	41,210	41,244	39,791	38,318	38,856	35,392	33,929	34,478	35,025	34,521	34,015	33,513	33,009
Interest - LTD	1,041,614	1,056,893	1,071,890	1,081,503	1,094,898	1,107,891	1,122,504	1,160,073	1,177,645	1,206,245	1,229,768	1,253,717	1,252,211
Interest - Deposits	10,869	11,586	12,360	13,115	13,859	14,612	21,379	30,146	37,418	42,582	43,891	46,400	49,638
Miscellaneous Expense	53,634	58,349	59,248	63,885	73,342	81,631	80,183	75,752	71,812	65,800	59,639	51,411	46,540
Interest Income	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)	(29,593)	(30,555)	(30,589)	(30,613)	(30,605)	(30,637)	(30,708)
Non-Electric Revenue	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)	(41,296)	(46,720)	(42,838)	(46,548)	(4,829)	281	(895)
Capital Credits	(104,988)	(104,988)	(104,444)	(104,444)	(109,531)	(108,004)	(108,004)	(108,004)	(108,004)	(108,004)	(118,458)	(143,389)	(143,388)
Margins	388,266	782,405	1,308,890	1,112,141	877,991	(516,118)	(610,132)	(599,039)	14,217	242,613	211,503	396,627	515,855
Operating Expense	12,747,102	12,894,804	12,601,189	12,895,092	12,992,115	13,139,176	13,220,243	13,273,058	13,489,210	13,519,228	13,574,447	13,628,882	13,537,854
Rolling 12 Month TIER	0.65	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99	0.80	0.83	0.68	0.59





	2019 Monthly Margins			2019 YTD Margins			2019 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37
February	\$208,319.82	\$94,493.20	\$113,826.62	\$553,089.19	\$523,364.40	\$29,724.79	\$553,089.19
March	\$278,946.97	\$203,128.50	\$75,818.47	\$832,036.16	\$726,492.90	\$105,543.26	\$832,036.16
April	-\$251,678.88	-\$168,845.80	-\$82,833.08	\$580,357.28	\$557,647.10	\$22,710.18	\$580,357.28
May	\$0.00	-\$194,339.80			\$363,307.30		\$386,017.48
June	\$0.00	-\$286,864.80			\$76,442.50		\$99,152.68
July	\$0.00	\$133,168.20			\$209,610.70		\$232,320.88
August	\$0.00	\$231,461.20			\$441,071.90		\$463,782.08
September	\$0.00	\$2,063.20			\$443,135.10		\$465,845.28
October	\$0.00	\$95,721.20			\$538,856.30		\$561,566.48
November	\$0.00	\$93,498.20			\$632,354.50		\$655,064.68
December	\$0.00	\$109,169.81			\$741,524.31		\$764,234.49





## Margins/Tier

### April

	2019	2018	2018-2016
Revenue	(1,991,572)	(2,288,028)	(2,068,801)
Purchase Power	1,207,063	1,291,915	1,194,816
<i>Gross Margins</i>	(784,509)	(996,113)	(873,985)
Operating Expenses	1,037,795	1,128,823	1,080,671
Margins	247,791	128,463	198,170
OTIER	(1.25)	(0.15)	(1.39)

### Year to Date

	2019	2018	2018-2016
Revenue	(10,982,560)	(11,956,724)	(10,377,366)
Purchase Power	6,043,469	6,571,077	6,169,012
<i>Gross Margins</i>	(4,939,091)	(5,385,647)	(4,208,354)
Operating Expenses	4,438,125	4,389,481	4,324,522
Margins	(500,966)	(996,166)	(6,302)
TIER	2.11	3.65	1.02



<b>2019</b>			
<b>April Bill</b>			
	<b>Average</b>	<b>HDD</b>	<b>CDD</b>
1-Apr	36	29	0
2-Apr	44	21	0
3-Apr	53	12	0
4-Apr	59	6	0
5-Apr	57	8	0
6-Apr	64	1	0
7-Apr	63	2	0
8-Apr	62	3	0
9-Apr	64	1	0
10-Apr	57	8	0
11-Apr	69	0	4
12-Apr	65	0	0
13-Apr	61	4	0
14-Apr	65	0	0
15-Apr	43	22	0
16-Apr	56	9	0
17-Apr	65	0	0
18-Apr	75	0	10
19-Apr	63	2	0
20-Apr	52	13	0
21-Apr	52	13	0
22-Apr	58	7	0
23-Apr	66	0	1
24-Apr	65	0	0
25-Apr	68	0	3
26-Apr	56	9	0
27-Apr	54	11	0
28-Apr	55	10	0
29-Apr	63	2	0
30-Apr	72	0	7
	59.4	193	25

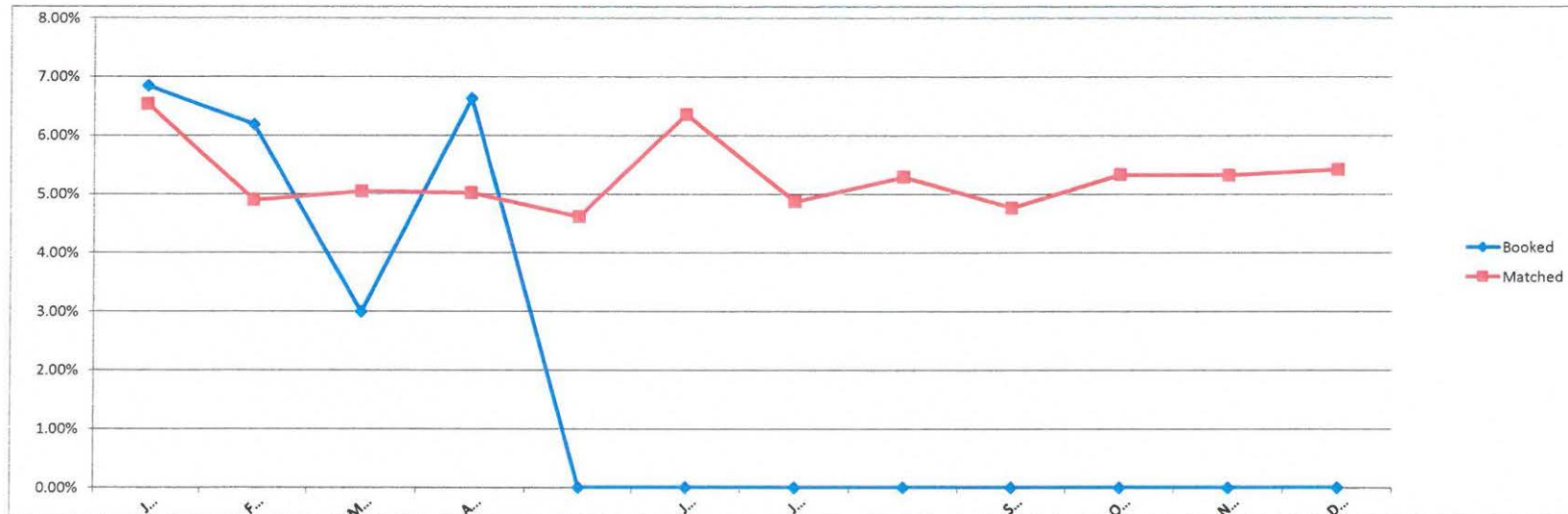
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<b>2018</b>			
<b>April Bill</b>			
	<b>Average</b>	<b>HDD</b>	<b>CDD</b>
1-Apr	48	17	0
2-Apr	42	23	0
3-Apr	61	4	0
4-Apr	48	17	0
5-Apr	40	25	0
6-Apr	53	12	0
7-Apr	36	29	0
8-Apr	36	29	0
9-Apr	39	26	0
10-Apr	41	24	0
11-Apr	49	16	0
12-Apr	66	0	1
13-Apr	75	0	10
14-Apr	75	0	10
15-Apr	57	8	0
16-Apr	40	25	0
17-Apr	45	20	0
18-Apr	58	7	0
19-Apr	47	18	0
20-Apr	48	17	0
21-Apr	54	11	0
22-Apr	58	7	0
23-Apr	57	8	0
24-Apr	55	10	0
25-Apr	54	11	0
26-Apr	54	11	0
27-Apr	62	3	0
28-Apr	55	10	0
29-Apr	47	18	0
30-Apr	53	12	0
	51.8	418	21

439



2019	January	February	March	April	May	June	July	August	September	October	November	December	Total 2019
<b>Sales</b>	26,326,123.00	20,707,703.00	22,571,095.00	15,517,438.00									85,122,359.00
<b>2018</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	255,884,096.00
<b>Purchases:</b>													
<b>2019</b>	28,258,930.00	22,071,790.00	23,265,758.00	16,619,125.00									90,215,603.00
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	270,301,596.00
<b>kWh Loss</b>													
<b>2019</b>	1,932,807.00	1,364,087.00	694,663.00	1,101,687.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,093,244.00
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	14,417,500.00
<b>% Line Loss</b>													
<b>2019</b>	6.84%	6.18%	2.99%	6.63%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.65%
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.33%



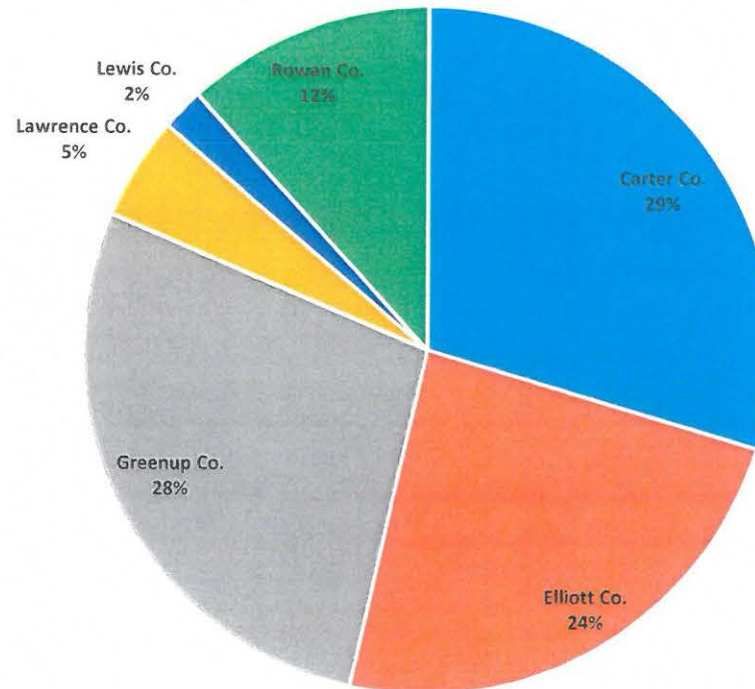




# Bills by County

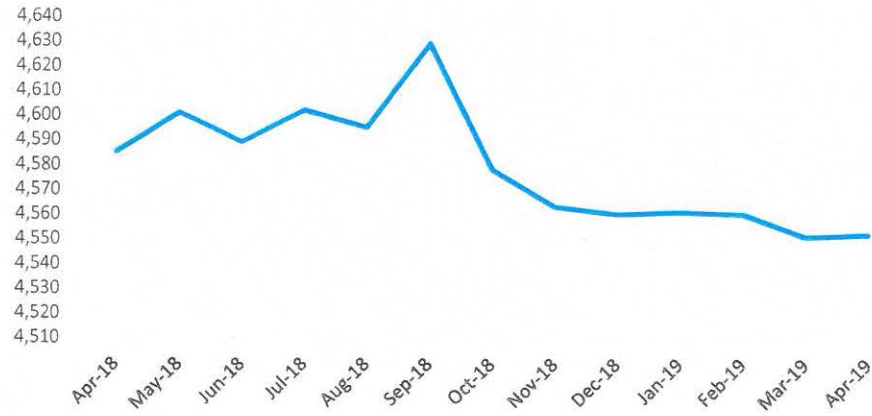
	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18
Carter Co.	4,552	4,551	4,560	4,561	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601	4,585
Elliott Co.	3,663	3,632	3,632	3,616	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689	3,660
Greenup Co.	4,288	4,255	4,266	4,274	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292	4,274
Lawrence Co.	746	746	744	741	760	747	761	770	761	761	763	761	766
Lewis Co.	307	307	313	311	312	313	318	323	321	314	315	311	316
Rowan Co.	1,792	1,773	1,799	1,770	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778	1,765
	15,348	15,264	15,314	15,273	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432	15,366

# of Bills  
April 2019

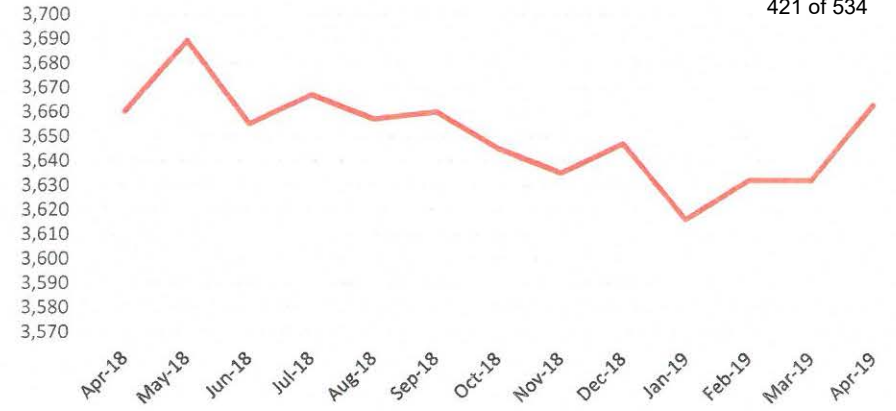




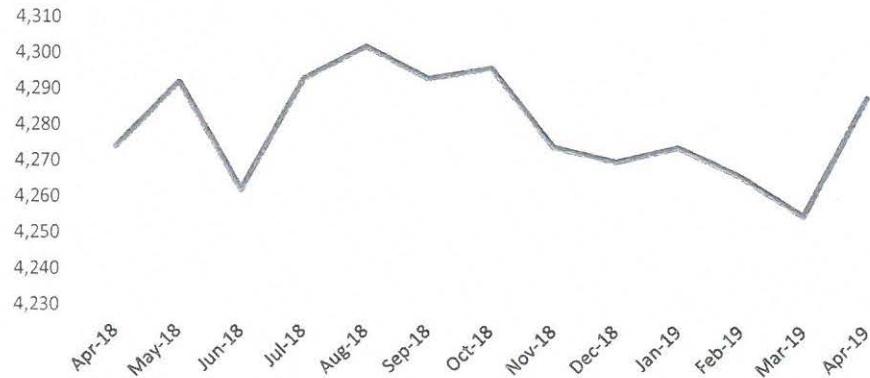
Carter Co.



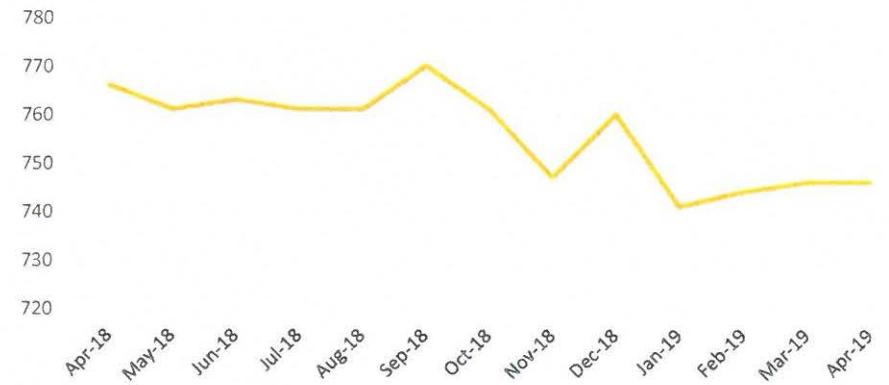
Elliott Co.



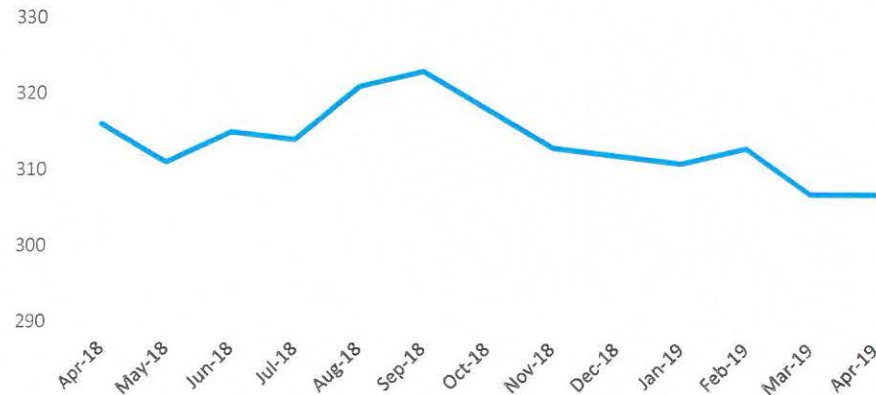
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





## REVENUE SUMMARY APRIL 2019

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 253,773.23	\$ (14,440.12)	\$ 6,701.03	\$ 13.75	\$ 2,818.09	\$ 15,524.76	\$ 264,390.74	\$ 6,428.81	\$ 1.40	\$ 5,785.69	2,423	1,911,899
\$ 260,178.65	\$ (16,033.02)	\$ 12,607.12	\$ 22.00	\$ 1,214.57	\$ 16,256.87	\$ 274,246.19	\$ 4,999.44	\$ 99.78	\$ 5,766.51	2,863	1,914,313
\$ 55,412.66	\$ (2,977.18)	\$ 1,793.30	\$ 5.50	\$ 707.42	\$ 3,421.76	\$ 58,363.46	\$ 1,321.08	\$ -	\$ 1,240.84	611	402,033
\$ 703,977.27	\$ (45,859.26)	\$ 22,713.32	\$ 71.50	\$ 3,244.02	\$ 42,959.88	\$ 727,106.73	\$ 13,716.20	\$ 70.39	\$ 15,492.28	5,928	5,459,368
\$ -	\$ (75.98)	\$ 1,619.08	\$ 2.75	\$ -	\$ 97.46	\$ 1,643.31	\$ 19.20	\$ 1.56	\$ 39.94	103	8,805
<b>\$ 1,273,341.81</b>	<b>\$ (79,385.56)</b>	<b>\$ 45,433.85</b>	<b>\$ 115.50</b>	<b>\$ 7,984.10</b>	<b>\$ 78,260.73</b>	<b>\$ 1,325,750.43</b>	<b>\$ 26,484.73</b>	<b>\$ 173.13</b>	<b>\$ 28,325.26</b>	<b>11,928</b>	<b>9,696,418</b>
\$ 17,087.78	\$ (539.62)	\$ 535.80	\$ -	\$ 4.66	\$ 1,078.32	\$ 18,166.94	\$ 304.75	\$ -	\$ 276.18	331	60,187
\$ 18,699.30	\$ (575.35)	\$ 426.26	\$ -	\$ 110.30	\$ 1,170.83	\$ 19,831.34	\$ 506.57	\$ -	\$ 257.66	351	70,060
\$ 18,588.56	\$ (504.76)	\$ 854.53	\$ -	\$ 41.32	\$ 1,302.28	\$ 20,281.93	\$ 450.99	\$ 3.03	\$ 388.05	460	58,778
\$ 44,443.44	\$ (1,312.74)	\$ 1,302.10	\$ -	\$ 79.05	\$ 2,803.70	\$ 47,315.55	\$ 710.06	\$ 133.91	\$ 1,063.07	885	150,492
\$ 7,107.07	\$ (214.32)	\$ 248.75	\$ -	\$ 41.32	\$ 450.77	\$ 7,633.59	\$ 263.09	\$ 39.65	\$ 121.80	142	24,629
\$ 761.45	\$ (14.99)	\$ 46.45	\$ -	\$ -	\$ 50.05	\$ 842.96	\$ 2.92	\$ -	\$ 20.98	21	1,671
\$ 1,356.75	\$ (32.77)	\$ 89.35	\$ -	\$ -	\$ 89.20	\$ 1,502.53	\$ 29.38	\$ -	\$ 33.86	34	3,657
<b>\$ 108,044.35</b>	<b>\$ (3,194.55)</b>	<b>\$ 3,503.24</b>	<b>\$ -</b>	<b>\$ 276.65</b>	<b>\$ 6,945.15</b>	<b>\$ 115,574.84</b>	<b>\$ 2,267.76</b>	<b>\$ 176.59</b>	<b>\$ 2,161.60</b>	<b>2,224</b>	<b>369,474</b>
\$ 138,231.90	\$ (9,513.07)	\$ 4,190.30	\$ 2.75	\$ -	\$ 8,496.77	\$ 141,408.65	\$ (515.79)	\$ 6,341.87	\$ 3,501.75	951	1,060,925
\$ -	\$ (16.44)	\$ 374.37	\$ -	\$ -	\$ 22.61	\$ 380.54	\$ 7.70	\$ 18.78	\$ 11.03	8	1,834
\$ 13,150.51	\$ (801.05)	\$ 1,914.95	\$ -	\$ -	\$ 900.05	\$ 15,164.46	\$ 76.66	\$ 285.93	\$ 331.51	156	89,353
<b>\$ 151,382.41</b>	<b>\$ (10,330.56)</b>	<b>\$ 6,479.62</b>	<b>\$ 2.75</b>	<b>\$ -</b>	<b>\$ 9,419.43</b>	<b>\$ 156,953.65</b>	<b>\$ (431.43)</b>	<b>\$ 6,646.58</b>	<b>\$ 3,844.29</b>	<b>1,115</b>	<b>1,152,112</b>
\$ 169,010.61	\$ (15,707.59)	\$ 1,109.70	\$ -	\$ -	\$ 9,743.38	\$ 164,156.10	\$ (4,832.79)	\$ 5,616.01	\$ 3,967.08	69	1,751,714
\$ 72.97	\$ (1.79)	\$ -	\$ -	\$ -	\$ 4.49	\$ 75.67	\$ -	\$ 4.54	\$ -	1	200
\$ 34,152.41	\$ (2,998.53)	\$ 568.35	\$ -	\$ -	\$ 2,001.67	\$ 33,723.90	\$ -	\$ -	\$ 1,011.72	8	334,398
<b>\$ 203,235.99</b>	<b>\$ (18,707.91)</b>	<b>\$ 1,678.05</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,749.54</b>	<b>\$ 197,955.67</b>	<b>\$ (4,832.79)</b>	<b>\$ 5,620.55</b>	<b>\$ 4,978.80</b>	<b>78</b>	<b>2,086,312</b>
\$ 135,630.45	\$ (19,812.11)	\$ 33.95	\$ -	\$ -	\$ 7,310.28	\$ 123,162.57	\$ -	\$ 4,675.63	\$ 3,694.88	2	2,209,447
<b>\$ 135,630.45</b>	<b>\$ (19,812.11)</b>	<b>\$ 33.95</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,310.28</b>	<b>\$ 123,162.57</b>	<b>\$ -</b>	<b>\$ 4,675.63</b>	<b>\$ 3,694.88</b>	<b>2</b>	<b>2,209,447</b>
\$ -	\$ (32.96)	\$ 714.35	\$ -	\$ -	\$ 43.00	\$ 724.39	\$ -	\$ -	\$ 21.73	1	3,675
<b>\$ -</b>	<b>\$ (32.96)</b>	<b>\$ 714.35</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43.00</b>	<b>\$ 724.39</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21.73</b>	<b>1</b>	<b>3,675</b>
<b>\$ 1,871,635.01</b>	<b>\$ (131,463.65)</b>	<b>\$ 57,843.06</b>	<b>\$ 118.25</b>	<b>\$ 8,260.75</b>	<b>\$ 113,728.13</b>	<b>\$ 1,920,121.55</b>	<b>\$ 23,488.27</b>	<b>\$ 17,292.48</b>	<b>\$ 43,026.56</b>	<b>15,348</b>	<b>15,517,438</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 60,319.04</b>		
<b>TOTAL REVENUE</b>											
							<b>\$ 2,003,928.86</b>				



APRIL 2019

219 ANALYSIS

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		11		1,278.02	(1,278.02)	
100	NEW LINE EXTENSIONS		17		53,954.05	53,954.05	3,173.77
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		2,765.97	2,765.97	1,382.99
603	SECTIONALIZERS		4		4,479.62	4,479.62	
604	REGULATORS						
606	POLES		31	POLES	143,807.10	143,807.10	4,638.94
608	CONDUCTOR CHANGE				0.00	0.00	
701	SECURITY LIGHTS		32		19,243.04	19,243.04	601.35
705	AMI EQUIPMENT						
1600	MINOR PROJECTS		2		7,381.68	7,381.68	
	TOTAL		94		<b>232,909.48</b>	<b>230,353.44</b>	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	0		0.00	0.00	0.00
	METERS	370.00	0		0.00	0.00	0.00
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	RF METERS	370.30	1920		361,804.80	361,804.80	188.44
	OTHER SP EQUIP	365.00	9		10,907.19	10,907.19	1,211.91
	TOTAL		1929		<b>372,711.99</b>	<b>372,711.99</b>	
	MATERIAL				<b>83,281.06</b>		
	MATERIAL OH				<b>42,557.22</b>		
	LABOR				<b>24,855.05</b>		
	LABOR OH				<b>58,109.20</b>		





GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On July 26, 2019 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the June 2019 Board Meeting
4. President's Report – Carol Hall Fraley
5. KEC Director's Report – Director Whitt
6. EKPC Director's Report –Director Martin
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for May 2019 – Bradley Cherry, Manager of Finance & Accounting
  - a. Approval of Form 219 for January 2019 \$219,160.41
  - b. Approval of Form 219 for February 2019 \$676,089.91
  - c. Approval of Form 219 for March 2019 \$258,299.41
  - Total \$1,153,549.73**
8. Board Policies for Consideration
9. Cooperative Legal Matters – Legal Counsel Willis
10. Manager of Technical Services Report – Brian Poling
11. Member Services Report – Tina Preece, Member Services Advisor
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of one hundred six (106) New Memberships and Retirement of one hundred ten (110) Existing Memberships for June 2019
14. Consider Approval of Accounts to be Charged Off to Reserve \$1,933.81.
15. Consider Approval of President's Business Expense in the Amount of \$99.36, Director's Business Expense in the Amount of \$6,686.00 and Attorney's Business Expense in the Amount of \$1,500.00. Total Expenses=\$8,285.36
16. Consider Community Service and/or Donations
  - a. Carter County Fair \$150 paid for 2019
  - b. East Carter Football \$225 paid for 2019
  - c. East Carter Tennis Team \$ 50 paid for 2019
  - d. Lewis County Lions Football \$150 paid for 2019
  - Total Requested/paid \$575**
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Any Meetings Held
19. Confirm Date for Future Board Meeting – Friday, August 23, 2019

20. Management Audit
21. Additional Business
22. Adjourn

On June 21, 2019 at 8:10 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors present. Others present included: Carol Hall Fraley, President and CEO; Derrick Willis, Legal Counsel, Kim Bush, Executive Assistant, Andrea McCleese, Technical Services Supervisor and Bradley Cherry, Chief Financial Officer.

**INVOCATION**

Director Whitt gave the invocation.

**EXECUTIVE SESSION**

Chairman Dupuy called for Executive Session, with the board members and Legal Counsel, Derrick Willis at 8:10 a.m.

Motion was made by Director Trent, seconded by Director Bentley to leave the second Elliott County director seat, vacated by William (Billy) T. Rice, as is for further consideration and review of financial records and cost of keeping the seat. This is to be reviewed by the July board meeting prior to the election when this seat is up for re-election. Motion passed unanimously.

The executive session ended at 9:13 a.m.

**APPROVAL OF MINUTES**

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the minutes from the May 2019 Board Meeting.

**PRESIDENT'S REPORT**

President Fraley reported on the following:

**ADDITIONAL DEPOSIT LETTERS**

We have received several complaints concerning the over 500 letters that were mailed last month. These letters were mailed to members that have had at least 6 delinquents. Members are offered our PrePay program or if they will set their account up on AutoPay and sign a right-of-way easement, we will reduce the deposit by half. We are also allowing members to pay the additional deposits over several months on a contract.

**MARK HUTCHINSON**

Hutch was walking up the stairs and felt a pop in his right ankle. He went to the doctor and was taken off work for a few days. This was filed with Federated for Worker's Compensation and was denied. President Fraley has been in touch with Federated concerning whether this is a workers comp claim or not. At the present time, it is listed as a Lost-Time accident but this is pending further investigation from Federated Insurance.

**NEW EMPLOYEES**

Herbie Steagall, Bryan Rogers and Tony Brewer resigned from Grayson RECC effective Friday, June 7, 2019. Tony Brewer and Bryan Rogers have filed for their unemployment. Appropriate paperwork was returned to the unemployment office, including copies of their letters of resignation.

Two first-class lineman were recently hired and a third may be hired within the week. Kyle Clevenger will have the details later in the meeting.

**WASHINGTON YOUTH TOUR**

President Fraley reported that the three Washington Youth Tour delegates were very appreciative of the trip. Grace Potter, Greenup County, Malinda Cox and Makenna Rose from Elliott County spent a week in Washington D.C. with the Rural Electric Youth Tour.

<b>KEITH TWITTY FEDERATED INSURANCE</b>	We received a good report from Mr. Twitty concerning the spill prevention plan. He was surprised at the small number of slips, trips and falls we have considering the rough terrain in our area. He plans to write a letter regarding our safety record and this matter.
<b>MEMBERSHIP MAP</b>	President Fraley shared a map of the service territory of Grayson RECC, showing the number of members in each area and the number of accounts.
<b>AMEND AGENDA</b>	Motion to amend the agenda to add the Management Audit discussion to # 22 on the agenda was made by Director Martin and seconded by Director Bentley. Motion was passed unanimously.
<b>KEC DIRECTOR REPORT</b>	No meeting at KEC for the month of June.
<b>EKPC DIRECTOR REPORT</b>	Director Arrington provided an update from his last official board meeting for EKPC. New EKPC Director Martin reported that the officers for the EKPC board were: Chairman—Joe Spaulding Vice Chairman—Alan Ahrman Secretary—Jody Hughes Treasurer—Landis Cornett
<b>FINANCIAL &amp; STATISTICAL REPORT FOR APRIL 2019</b>	Bradley Cherry, CFO, presented the Financial & Statistical Report for April 2019:
<b>SALES AND PURCHASES</b>	Kilowatt hour sales for the month of April were 10.96% under budget. Year-to-date, sales were under 1.75%. Purchases for the month of April were 9.33% under budget. The year-to-date total was 2.31% under budget. Line loss for April was 6.63%. The year-to-date for line loss is 5.65%. April margins were \$-251,678.88 with year-to-date total margins were \$580,357.28. T.I.E.R. was -1.29. Year-to date T.I.E.R. is 2.29.  Purchases for month of April were down from last year by 13.22%. Year-to-date, our purchases compared to 2018 are down 6.45%.
<b>FUEL ADJUSTMENT</b>	The fuel adjustment for April was a credit of \$.008967.
<b>ESC</b>	The environmental surcharge was 6.31%.
<b>DEGREE DAYS</b>	There were 218 degree days; 193 heating degree days and 25 cooling degree days.
<b>BILLS</b>	We mailed 15,348 bills for the month of April. Compared to 2018, we have 18 fewer bills.
<b>FORM 219</b>	Bradley reviewed Form 219. We had 11 retirements in April, extended 17 new lines, had 2 service upgrade, 4 Sectionalizers, changed 31 poles, no conductor changes, 32 security lights, and completed 2 minor projects. These items cost \$232,909.48 and \$230,353.44 was taken from loan funds. We also purchased 1,920 RF meters at a total cost of \$361,804.80.
<b>CAPITAL CREDITS</b>	Capital Credit checks will be mailed next week and those totals will be reported at the July Board meeting. There are approximately 20-25 applications to be paid next week.

- APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR APRIL 2019** Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for April 2019 as presented, for informational purposes only.
- AUDITOR SELECTION** Motion was made by Director Trent, seconded by Director Bentley to hire Alan Zumstein as the auditor for 2018/2019 and unanimously approved.
- BYLAWS** Article IV, Section 2, Election and Tenure of Office.  
Refer to the minutes from the Executive session concerning this issue. No action was taken on the proposed changes to Article IV, Section 2, Election and Tenure of Office. This will be brought back to the board in July of 2021 to review the proposed changes at that time.
- BOARD POLICY #101** Board Policy #101 Policy Formulation and Procedure  
Motion was made by Director Whitt, seconded by Director Trent and unanimously agreed to approve the revisions in Board Policy #101.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 101

SUBJECT: POLICY FORMULATION AND APPROVAL

I. OBJECTIVE

To establish the basis for the formulation and distribution of Board policies to effectively achieve the objectives, goals, plans, and programs of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and to provide for the periodic review of such policies.

II. POLICY

- A. The President and CEO, in consultation with his/her staff or the full board as appropriate shall develop policy recommendations to be presented to the Board.
- B. The Board of Directors shall consider the recommendations and adopt the policies necessary to ensure the effective operation of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION.
- C. Individual Directors can propose areas where policies are needed, but such policies shall be formulated and considered as described in (A) and (B) above.
- D. Each policy should be reviewed at least bi-annually by the President and CEO and he/she should recommend to the appropriate Committee or the full Board any revisions or changes to meet current operating conditions.
- E. The President and CEO shall be accountable to the Board of Directors for carrying out these policies and ensuring that all pertinent policies are explained to the employees, making every reasonable effort to see that they are understood, accepted, and complied with.
- F. The employees, as appropriate through the President and CEO, will be given the opportunity to make suggestions for and to contribute to the formulation of new policies or modification of existing policies.

BOARD POLICY 101 (CONT.)

III. APPLICABILITY

- A. In the event there is conflict between any policy and the law, or the Bylaws, or the Articles of Incorporation, or the rules and regulations of a lending or regulatory agency, the applicable law, or the Bylaws, or the Articles of Incorporation, or such rules and regulations will prevail over the policy.

IV. RESPONSIBILITY

- A. The Chairman shall make every reasonable effort to ensure that this policy is adhered to.
- B. The President and CEO will provide each director with a manual containing the Articles of Incorporation, the Bylaws, Board Policies, and any revisions to the Bylaws and Board Policies.
- C. The President and CEO, in consultation with the General Counsel, shall ensure that all proposed policies or revisions to existing policies meet the requirements of the Rural Utilities Service (RUS), bond trustees, other lending, regulatory, and administrative agencies, as well as all state and federal legal requirements.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

Board Approved: 02/21/86  
Minute Book Page: 1554-1555  
Board Revised: 01/27/95  
Minute Book Page: 2527 - 2529  
Date Reaffirmed: 10/25/96  
Minute Book Page: 2767-2768  
Date Revised: 05/26/04  
Minute Book Page: 3612  
Date Revised: 04/19/10  
Minute Book Page: 4313  
Date Reaffirmed: 07/23/14  
Minute Book Page: 4844-4845  
Date Revised: 06/21/2019  
Minute Book Page:

**BOARD POLICY # 102**

Functions of the Board of Directors

Motion was made by Director Arrington, seconded by Director Martin and unanimously agreed to strike appraisal for board members from policy #102.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 102



BOARD POLICY 102 (CONT.)

SUBJECT: FUNCTIONS OF THE BOARD OF DIRECTORS

I. OBJECTIVE

- A. To describe the major functions of the Board of Directors of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, to develop an increased understanding of their responsibilities and authorities, and to define the Board's accountability.
- B. To clarify and/or elaborate upon the powers and duties set forth in the Articles of Incorporation and Bylaws for the Board of Directors of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION.
- C. To provide guidance in a more detailed form on the legal entity, trusteeship, planning, operating requirements, and provisions for control functions of each individual member of the Board of Directors.
- D. To provide guidance to member-owners who elect Board Members to represent their interests, in a business where each member has a vital interest in how well the elected representatives on the Board of Directors accept and take action in connection with their responsibilities and authorities as Directors.

II. POLICY

- A. To establish and maintain a legal entity with respect to:
  1. Ensuring that the legal requirements, as set forth in the Articles of Incorporation, the Bylaws, and other regulations applying to GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, are complied with regularly, including, but not necessarily limited to:
    - a. All federal, state and local statutes and ordinances.
    - b. Rural Utility Service (RUS), and other lending agencies.
    - c. Federal and state tax and regulatory agencies and commissions.
    - d. The rules and regulations of the Kentucky Public Service Commission.
  2. Selecting and appointing the General Counsel, in consultation with the President and CEO.
  3. Studying, considering, and approving revisions and other changes in the Bylaws, as necessary or required.
  4. Reviewing and approving major contracts such as: loan agreements, wholesale power contracts, and construction contracts.
  5. Approving applications for membership in GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION. Reviews with the President and CEO and appropriate staff all service rules and regulations and conditions of service.
  6. Ensuring that complete and accurate minutes of the Board, Board Committees, and the annual Membership Meeting are prepared, maintained, and approved. Minutes of the Board Meeting, Board Committee Meetings, and Membership Meetings will be taken by a Recording Secretary, who will prepare a draft for the President and CEO and Cooperative Legal Counsel to review before distribution to the Directors.

BOARD POLICY 102 (CONT.)

7. Authorizing eminent domain proceedings by GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION as required.

B. To act as Trustees of Membership Interests with respect to:

1. Conducting well-planned membership meetings to adequately inform its members, obtain their ideas and suggestions, and to promote understanding of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S objectives, goals, policies, plans, and programs.
2. Keeping well informed about changing members needs and how GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION might assist in meeting these needs.
3. Ensuring that the members are informed of the results of the operations through periodic newsletters and other publications, annual reports, and membership meetings.
4. Complying with Board policies and the Bylaws.
5. Keeping informed and growing in their own skills and understanding as Board Members.
6. Assisting new Board members to develop a greater understanding of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and their basic responsibilities and authorities. An orientation will be arranged for new Board Members on GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S objectives, plans, policies, and programs.
7. Keeping the Members informed of problems faced by GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION which require their support. Every reasonable effort shall be made to keep the Members advised of the long-range outlook on power costs, and as far in advance as possible, on the need for adjustments in retail electric rates.
8. Protecting the assets of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION through appropriate insurance policies and coverages by making sure that the policies, regulations and mortgages of RUS, and other lending agencies are complied with.
9. Selecting and appointing an independent financial auditor based on the recommendations of the President & CEO and Manager of Finance & Accounting. Reviews corporate accounting and internal auditing programs with the President and CEO and the Manager of Finance and Accounting. Reviews risk management of the Cooperative to ensure that the assets of Grayson Rural Electric Cooperative Corporation are protected and makes appropriate recommendations to the full Board.
10. Ensuring that the Officers, President and CEO, and other employees are bonded through our Employee Crime insurance coverage in accordance with the bonding requirements as prescribed by the Board of Directors.
11. Directors of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION shall designate those authorized to sign checks, drafts, notes, contracts, deeds, mortgages, and other instruments on behalf of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION.
12. Holding well planned and effectively conducted Board Meetings monthly, or more often if required. The preliminary agenda for such meetings shall be developed by the President and CEO in consultation with the Chairman, and the agenda will be mailed in advance of the Board Meeting with appropriate supporting information as outlined in the Cooperative Bylaws, Article V, Section 3, Notice of Board Meeting.



BOARD POLICY 102 (CONT.)

13. Reviews policies governing the investment of funds of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION Board Policy 203, Cash Management. Reviews the long range financial plans and forecasts to determine the needs of the Cooperative.
  14. Establishing policies governing the payment of travel, out of pocket, and other expenses of directors.
  15. Approving the appointment of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S principal consultants and contracts and agreements for their services.
  16. Approving purchases, transfers, leases and/or sales of all real estate.
  17. Fills vacancies on the Board for any unexpired term of office in accordance with Cooperative Bylaws, Article IV, Section 6, Vacancies.
  18. Reviews recommendations of the President and CEO on the program for the Annual Membership Meeting, the results of this meeting, and makes appropriate recommendations to the President and CEO on any improvements which might be made to make such meetings more effective.
  19. Considers the needs of Cooperative Members when planning and carrying out programs which affect them.
- C. To consider and adopt short and long range plans with respect to:
1. Ensuring an adequate and reliable supply of power at the most reasonable cost for the members consistent with sound economic and business practices.
  2. Reviewing and approving the ideals, objectives, and major goals of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, as developed and recommended by the President and CEO.
  3. Reviewing, in consultation with the President and CEO, proposed policies, adopting such policies as appropriate, and ensuring that these policies are reviewed periodically.
  4. Reviewing and approving broad operating programs, services, and activities developed and recommended by the President & CEO; taking into account the feasibility of such recommendations, and the financial ability of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATIONS to provide these programs and services.
  5. Reviewing and approving the annual work plans and budgets in terms of achieving the desired results in the operation of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION while providing the best possible service to the members. Reviews any major budget revisions and requests for major non-budgeted items to determine the impact on the consolidated budget and the Cooperative's financial structure. Studies staff recommendations of financial management policies and, as appropriate, reviews the investment of such funds to assure the principal is safe and the rate of return is reasonable. Discusses with the CEO and the Manager of Finance and Accounting any action required.
  6. Considering and adopting broad personnel and wage and salary policies essential to provide opportunities for growth and development of employees as recommended by the Planning and Review Committee. The Wage and Salary Plan shall be assessed and updated every seven years.
  7. Considering and approving the labor contract as recommended by the President and CEO.
  8. Considering and adopting financial plans and policies essential to maintaining a sound financial structure for GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION.

BOARD POLICY 102 (CONT.)

9. Adopting, in consultation with the President and CEO, policies for maintaining good member, public, and governmental relations, programs for community and economic development, load management and energy conservation.
- D. To provide operating requirements with respect to:
1. Authorizing the monies and expenditures of such monies through the adoption of the revenue, expense, and capital budgets necessary to carry out the objectives of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION.
  2. Establishing committees, when necessary, and receiving reports and recommendations from special or standing committees, and taking appropriate action as a result of such reports. The functions of such committees should be in writing and reviewed annually by the Planning and Review Committee to determine if any revisions should be made in the functions of the committee and, if so, the Planning and Review Committee will make appropriate recommendation to the Board.
  3. Interviewing candidates (with the advice of a professional consultant, if necessary) and selecting and employing a competent President and CEO. The President and CEO is delegated the complete responsibility and authority to select and employ personnel and terminate their employment, if such action becomes necessary, within the limitations of Board Policy. The President and CEO is also delegated the complete responsibility to direct such employees.
  4. Delegating to the President and CEO the authorities and responsibilities as described in Policy No. 104 (Delegation of Authority from the Board of Directors to the President and CEO) or by appropriate resolution.
  5. Advising the President and CEO, upon his/her request, in regard to specific managerial decisions which are his/her designated responsibility to make and for which results he/she is to be held responsible. The Board of Directors shall avoid making management decisions or giving instructions to the President and CEO when it is giving advice.
  6. Determining major state, regional, or national organizations in which GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION shall become a member.
  7. Authorizing the construction of major facilities necessary for the efficient operations of the Cooperative.
- E. To ensure that controls are established which can be used in appraising the effectiveness of the operations by:
1. Reviewing periodic reports from the President and CEO to ensure conformity to the Board's approved viewpoints, objectives, policies, major goals, plans and programs. These reports should be of sufficient scope to enable the Board of Directors to:
    - a. Prevent unauthorized action.
    - b. Predict trends and forecast results.
    - c. Determine where remedial or corrective action may be required.
    - d. Measure results against work plans.
    - e. Measure performance against plans and policies.
  2. Reviewing the annual financial audit and the management letter, with the auditor present, and ensuring that any necessary action is taken. The audit and the management letter shall be sent to the directors prior to the meeting when they are to review it.

## BOARD POLICY 102 (CONT.)

3. Reviewing the independent management audit if such audit is undertaken and ensuring that the Board approved recommendations are carried out by receiving and reviewing regular progress reports from the President and CEO.
4. Seeing that, annually, a performance appraisal of the President and CEO is carried out, with or without outside consulting assistance, and counseling with him/her on his/her growth and development. Such appraisal shall be conducted by Cooperative Legal Counsel, reporting to the full Board on the results of the appraisal and any ensuing salary adjustment.
5. Hold regular discussions on the growth and development of the Board of Directors and how they can more effectively carry out their major functions.

### III. SUPPORTING RELATIONSHIPS

As members of the Board of Directors, each individual Board Member recognizes and develops the following supportive relationships for purposes of more effective Board functioning effective relations with operating management and effective communications with the Members.

#### A. Internal

1. The Chairman
  - a. To inform on any matters which the Chairman should consider in the preparation of a well-planned agenda for each regular or special meeting of the Directors.
  - b. To assume the role of Chairman and discussion leader during regular or special meetings of the Directors, contributing ideas, factual information, issues and decisions in a manner consistent with parliamentary procedure.
2. President & CEO
  - a. To inform and advise on matters concerning the members interests which may be brought to the attention of the Directors.
  - b. To be recognized as the operating official through whom all complaints, problems and other matters should be communicated when concerned with the Cooperative or its employees.
3. Directors of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
  - a. To assist and work with through attention to effective discussion during regular or special meetings.
  - b. To encourage effective appraisals of Board functions that will ensure continuing and systematic attention to responsibilities concerning the present and future problems of the Cooperative.
  - c. To accept and work with or on any committee or other special assignments.

#### B. External

1. Member-Owners
  - a. To inform, advise, and enlist the continuing support and understanding on all problems affecting

BOARD POLICY 102 (CONT.)

member interest as consumers and owners.

- b. To accept information which should be relayed to operating management.

2. General Public

To work at all times and at every opportunity in maintaining a favorable image of the Cooperative as a business citizen and its role in the social and economic well-being in the service area which it is located.

IV. RESPONSIBILITY

- A. The Board may delegate any or all of these responsibilities to a Committee of the Board or President & CEO, as long as such action is consistent with the Bylaws or other legal requirements.
- B. It shall be the responsibility of the Chairman to see that the foregoing functions are carried out.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

Date Adopted: 03/25/65  
Board Reaffirmed: 11/16/79  
Board Revised: 02/21/86  
Minute Book Page: 1554-1555  
Board Revised: 01/27/95  
Minute Book Page: 2529-2536  
Board Revised: 10/25/96  
Minute Book Page: 2768-2774  
Date Revised: 05/26/04  
Minute Book Page: 3612  
Date Reaffirmed: 07/22/11  
Minute Book Page: 4446-4450  
Date Revised: 07/23/14  
Minute Book Page: 4850-4857  
Date Revised: 06/21/2019  
Minute Book Page:

**NEW BOARD POLICY #516** Motion was made to adopt Board Policy #516 by Director Martin , seconded by Director Trent and unanimously agreed to adopt Board Policy #516.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY 516

SUBJECT: WAGE AND HOUR COMPLIANCE

BOARD POLICY #516 (CONT.)

I. OBJECTIVE

To comply with the rules set forth by the Kentucky Wage and Hour Law and the Kentucky Labor Cabinet.

II. POLICY

A. Grayson R.E.C.C. will pay the minimum wage in effect, when appropriate.

B. Records: In accordance with Kentucky Wage and Hour Laws, Grayson R.E.C.C. will require that:

a. Every employee complete a weekly time sheet; electronically or by signed document, and submit it by Monday of the following week. If a workweek contains a holiday, employees should make every effort to see that time sheets are submitted as early as possible.

b. All employers subject to the provisions of the Kentucky Minimum Wage law shall make and preserve records containing the following information:

- (a) Name, address, and Social Security Number of each employee;
- (b) Hours worked each day and each week by each employee;
- (c) Regular hourly rate of pay;
- (d) Overtime hourly rate of pay for hours in excess of forty hours in a work week;
- (e) Additions to cash wages at cost, or deductions (meals, board, lodging, etc.) from stipulated wages in the amount deducted, or at cost of the item for which deductions are made;
- (f) Total wages paid for each work week and date of payment. Such records shall be kept on file for at least one year after entry.

c. All hourly employees shall record their arrival, lunch, and departure times as required by the Cooperative, including any overtime. Time sheets must be completed by all employees each week.

C. Periods and Lunch Breaks for all Non Bargaining Unit Employees

All employees are entitled to a rest period of at least 10 minutes for each 4 hours worked. Rest periods may not be combined. Lunch period is one hour.

D. Payment of Wages: All Employees

Each employee shall be paid once per week, in full, all wages or salary earned. If an employee is dismissed or leaves for any reason, he or she shall be paid in accordance with Kentucky Wage and Hour Laws. (KRS 337.005), and the policies of the Cooperative. All indebtedness to the Cooperative must be paid in full upon departure.

E. No employer shall withhold from any employee's wages any part of the agreed wage rate unless:

- (a) The employer is required to do so by local, state or federal law; or
- (b) When a deduction is expressly authorized in writing by the employee to cover Cooperative approved dues, expenses or purchases, or
- (c) other deductions not amounting to a rebate or deduction from the standard wage arrived at by collective bargaining or pursuant to wage agreement or statute; or
- (d) deductions for union dues where such deductions are authorized by joint wage agreements or collective bargaining contracts negotiated between the Cooperative and



BOARD POLICY #516 (CONT.)

union employees or their representatives. The Cooperative shall not deduct the following from wages of employees: Fines, Cash shortages in common money tills, cash box or register used by two or more employees, breakage, losses due to acceptance by an employee of checks which are subsequently dishonored if employee is given discretion to accept or reject any check or losses due to defective or faulty

workmanship, lost or stolen property, damage to property, default of customer credit for non-payment for goods or services received by the customer if such losses are not attributable to employee's willful or intentional disregard of employer's interests.

- F. The Cooperative recognizes hourly, salaried and Collective Bargaining employees. Collective Bargaining Unit employees shall be governed by the current contract between Grayson R.E.C.C. and IBEW 217, Grayson Local.
- G. Policies regarding vacation, sick leave, payment of vacation and sick leave and personal time shall be updated in accordance with this policy.
- H. Time off without pay – An employee who has resources of personal, sick leave, personal, vacation or other shall use that time until exhausted. Time off without pay shall be used only in an emergency or in accordance with American Family Medical Leave.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

Date Adopted: 06/22/19

Minute Book Page:

**BOARD POLICY #103**

Qualifications of Directorship

President Fraley read over all revisions in the policy.

Motion to amend Board Policy #103, Section II, A., 1 and to table other proposed revisions was made by Director Martin. Second was made by Director Trent and voted unanimously. Chairman Dupuy tabled further revisions.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

POLICY NO. 103

SUBJECT: QUALIFICATIONS FOR DIRECTORSHIP

I. OBEJCTIVE

To assure the membership that those members who are to be voted on for service on the Board of Directors of the Cooperative, (a voluntary service group, acting as trustees for and representatives of the membership) are qualified to carry out the viewpoints, and objectives of the Cooperative, formulate policy, develop plans, and insure their execution, at the Cooperative.

BOARD POLICY #103 (CONT.)

II. POLICY

Be it resolved that the following is hereby adopted by the Board of Directors of Grayson R.E.C.C. as the policy on qualifications for Directorship.

- A. The Nominating Committee, or individual member or group of members who nominate an individual to be considered for election to the Board of Directors of the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION should be aware of and should carefully and seriously consider the following legal requirements and personal qualifications before such a nomination is entered.
1. Must be a Member of the Cooperative, a natural person, and must reside on Grayson RECC lines in the county from which he or she is seeking election for the entire length of his or her term and must have been a resident of that county as of January 1 of the year in which he or she is seeking election (in accordance with Cooperative Bylaws Article IV, Section 3 (a).
  2. Must promote and safeguard the interests of the COOPERATIVE among the Members, the general public and others within the Rural Electric Program. Must sign the Cooperative's Confidentiality and Non-Disclosure Agreement.
  3. Will be required to and therefore, able to represent the membership on an impartial basis for the good of and in the best interests of the entire COOPERATIVE. Must meet the standards set forth in the Cooperative's Administrative Guidelines regarding good credit; having no more than two (2) delinquent payments during the past year, not on the delinquent list at all, and no returned checks.
  4. Must not in any way be employed by or have a controlling financial interest in any enterprise primarily engaged in selling electrical energy, supplies, appliances or other items as provided by the Bylaws of the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION.
  5. Must be willing to attend regular monthly meetings and any special meetings of the Board. Will be encouraged to receive Director Certification through NRECA as soon as practical.  
  
Must attend local, state, and national meetings as deemed necessary by the Board in order to aid him/her in making good decisions on behalf of the Cooperative.
  6. Should be aware that Members of the Board of Directors serve without salary, on a per diem for time given to regularly scheduled and approved affairs of the Membership Corporation and in addition they will be reimbursed for all reasonable expenses in connection with such scheduled activities.
  7. Should agree to serve the term of office for which elected or appointed unless otherwise approved by the Board.
  8. Shall not use or cause to be used his/her position as Director to further his/her political ambitions.
  9. Any member who intends to become a candidate for the Board of Directors of GRECC shall make a written declaration on such forms as are supplied by the Cooperative, of his or her intention to seek a seat on the Board of Directors. Said forms shall be obtained by the member from the office of the President & CEO of GRECC and shall be completed and given to the Cooperative by January 15 of the year in which said person seeks election to the Board. Upon

BOARD POLICY #103 (CONT.)

completion of said declaration form, the candidate shall receive from the office of the President & CEO a packet of information containing board policies, copy of the Cooperative Bylaws, and timeline for the election procedure deadlines, and official nominating petition. The only nominating petition authorized to be used by a potential candidate is the petition issued by the office of the President & CEO. This board policy shall be effective with the election year of 2009.

- B. Director Responsibilities: Service as a Director shall include the following responsibilities for growth and development in keeping the Director and others informed, and participating in the functions of the Board at all scheduled regular and special meetings. A Director is expected to:
1. Make every effort to become familiar with the working of the Cooperative, and to exercise sound judgment in making decisions under constantly changing circumstances that have a direct and indirect effect upon the COOPERATIVE.
  2. To support all decisions and actions made or taken by the majority of the Board.
  3. To conscientiously study the information contained in reports submitted to the Board.
  4. To contribute to the development of Bylaws, Board policies and responsibilities of the Board and thereafter to become familiar with and strive to improve such policies.
  5. To objectively evaluate and consider the questions and problems with which the COOPERATIVE is faced.
  6. To help formulate the aims and objectives of the COOPERATIVE and to further study and analyze the policies, plans and problems which result from efforts to achieve such aims and objectives.
  7. To be aware of the attitudes of the members and general public toward the Cooperative's objectives and policies and to help foster the Cooperative's positive image.
  8. To inform all interested persons about the Cooperative's viewpoints, objectives and policies.
  9. To attend all regular Board meetings. If a Director, due to illness or other reasons, should miss six out of twelve meetings, the full Board should review the circumstances and make a decision as to whether said Director should remain on the Board.
- C. Commitment: A candidate for election (or re-election) to the Board of Directors shall be considered on the basis of his/her willingness and ability to carry out the functions of a Director as outlined in this policy.
- D. Personal Qualifications of Potential Candidates: The Nominating Committee, individual Member, or group of Members of the COOPERATIVE who nominates an individual to be voted upon for election to the Board of Directors of the COOPERATIVE shall consider the following questions when reviewing the personal qualifications of the nominee:
1. What is the business record of the individual and what does the management of the particular individual's own affairs indicate as to the possession of sound business judgment?
  2. What is the judgment of the proposed nominee's neighbors as to his/her demonstrated capacity for leadership and the neighbor's confidence for honesty and integrity?



BOARD POLICY #103 (CONT.)

3. What has the proposed nominee done that would demonstrate his/her capacity for working with groups rather than as an individualist?
  4. What are the ideas and objectives of the proposed nominee as they relate to COOPERATIVE principles and philosophy?
  5. What are the problem areas which the proposed nominee might encounter as an individual when helping his fellow Members obtain a more complete understanding of the COOPERATIVE and its activities and problems?
- E. Non-Discrimination: Directors shall be selected on the basis of the above stated criteria and without regard to race, color, national origin, age or handicap.
- F. Supplement to Charter and Bylaws: This policy shall be in addition to existing provisions of the Articles of Incorporation and approved Bylaws, and is intended to serve as a guide in keeping Nominating Committee Members and bona fide Members informed on the nominating and voting obligations.

III. RESPONSIBILITY

- A. The Chairman and the full Board should insure that a copy of the provisions of this policy is in the hands of each member of the Nominating Committee, if the Nominating Committee is needed, and each candidate.
- B. The President is the chief executive officer of the Membership Corporation and is responsible for determining that this policy is adhered to and made known to interested persons at all times.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

Board Approved: 03/26/65  
Board Reaffirmed: 11/16/79  
Board Revised: 02/21/86  
Minute Book Page: 1554-1555  
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Minute Book Page: 2536-2539  
Board Revised: 02/23/96  
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Date Revised: 08/22/97  
Minute Book Page: 2931-2933  
Date Reviewed: 05/26/04  
Minute Book Page: 3611  
Date Revised: 02/20/08  
Minute Book Page: 4068-4070  
Date Reaffirmed: 01/21/11  
Minute Book Page: 4396

BOARD POLICY #103 (CONT.)

Date Revised: 07/22/11  
Minute Book Page: 4450-4453  
Date Revised: 07/23/14  
Minute Book Page: 4850-4857  
Date Revised: 06/21/19  
Minute Book Page:

**BOARD POLICY #104** Delegation of Authority from the Board of Directors to the President and CEO

President Fraley read over all revisions in the policy.

Motion was made to approve revisions Board Policy #104 by Director Trent, seconded by Director Martin and unanimously agreed accept the presented revisions for policy #104.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 104

SUBJECT: DELEGATION OF AUTHORITY FROM THE BOARD OF DIRECTORS TO THE PRESIDENT AND CEO

I. OBJECTIVE

To define the delegations of authority from the Board of Directors to the President and CEO to enable him/her to adequately direct the operations of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and to report to the Board on the results achieved.

II. POLICY

- A. Planning: To formulate, with the staff, as appropriate, the policies of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION to be recommended by the President & CEO to the Board of Directors for their consideration. Such policies shall be reviewed by the President and CEO at least once a year and a recommendation made to the appropriate committee or the full board on any revisions required.
- B. Objectives: To develop, with the staff, the viewpoints, objectives, and goals of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and to review periodically these objectives and goals, as well as the results achieved, with the Board or a Committee of the Board.
- C. Long and Short Range Plans: To conduct studies with the staff and outside consultants, if necessary, and recommend to the Board short and long range plans, including plans in such areas as system studies, engineering work plans, power requirements and load forecasts, financial forecasts, energy management, member and public relations, facilities, etc., and to report to the Board on results compared to such plans.
- D. Membership Meetings: To develop, with the staff, plans for Annual and other Membership Meetings of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and to make appropriate recommendations to the Board, or a Committee of the Board.

BOARD POLICY #104 (CONT.)

- E. Work Plans and Budgets: To formulate, with the staff, annual work plans and budgets for GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and recommend them to the Board or Committee of the Board for their consideration, and to provide detailed monthly reports on revenue, expenses, and other results compared to such plans.
- F. Legislation: To analyze and determine, with the staff, and in cooperation with Organizations such as the Kentucky Association of Electric Cooperatives, and the National Rural Electric Association (N.R.E.C.A), state and federal legislative and regulatory matters to be proposed, supported, or opposed consistent with established policy.
- G. Retail Rates and Service Rules and Regulations: To periodically study and analyze the Cooperative's rates and service rules and regulations to make sure they meet current operating requirements and to make appropriate recommendations to the Board of Directors.

ORGANIZATION

A. Organization Structure

- 1. To periodically review activities of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and to determine, with the staff as appropriate, the organization structure best suited to carry out the overall objectives of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION within the limitations of the budget.
- 2. To determine, with the appropriate staff members, the need for additional positions; the transfer, reassignment, or elimination of present positions; and to effect such changes, provided they are within the limitations of the personnel costs of the approved budget.

B. Selection of Personnel

- 1. To develop or approve standards and qualifications for use in recruitment, transfer, and promotions of personnel. Such standards and qualifications should meet all federal and state legal requirements.
- 2. To select, appoint, transfer, promote, and terminate personnel.

C. Training

- 1. To ensure that the staff members are trained in accordance with the qualifications and requirements of their positions.
- 2. To initiate and promote, through appropriate staff, training programs for all personnel within the limitations of the approved budget, including sending personnel to training programs outside the organization.

D. Performance Appraisals

- 1. To appraise, at least annually, the performance of immediate staff members and to counsel with them and assist them to develop and improve.
- 2. To ensure that a performance appraisal program is established and carried out for all personnel and that adjustments for those outside the bargaining unit are based on merit.

BOARD POLICY #104 (CONT.)

E. Position Descriptions

1. To ensure that written position descriptions and job specifications are prepared and reviewed as necessary for all personnel. Such completed descriptions will not require Board approval.

F. Fringe Benefits

1. To administer or approve activities and actions with respect to vacations, holidays, sick leave, and other fringe benefit programs for the personnel within established policies and within the limitations of the budget.

G. Consultants

1. To recommend to the appropriate committee of the Board the employment of principal consultants, and contracts and agreements for their services with the committee making an appropriate recommendation to the Board. The awarding of all contracts with consultants should comply with RUS policies and procedures. The selection of any consultants working in areas which affect the functions of the Board requires the approval of the Board.
2. To select and appoint other outside specialized consultants, and to negotiate contracts or agreements for services of such specialized consultants, within the limitations of the work plan and budget, and to advise the Board of actions taken.
3. To report to the Board periodically on services provided and the fees received by principal consultants.

H. Wage and Salary Administration

1. To develop a systematic wage and salary plan and present it to the appropriate Board Committee for review and recommendation to the Board. The Wage and Salary Plan shall be reviewed, and adjusted as necessary. Internal wages and salaries shall be reviewed and adjusted as necessary each year. The Union contract shall control wages for the Bargaining Unit.
2. To determine all salary adjustments, except the President and CEO within the Board approved wage and salary plan and policy and within the limitations of the budget. Salary adjustments for the President and CEO shall be determined by the Board with an appraisal conducted by the Legal Counsel annually, each January.
3. To evaluate new positions and reevaluate existing positions, if their responsibilities and authorities substantially change, and as a result of such evaluation or reevaluation, place these positions in the Board approved wage and salary PLAN.
4. To conduct labor surveys as necessary to determine salaries paid for comparable jobs in the area in which the Cooperative recruits personnel and make appropriate recommendations to the Board of Directors on any revisions required in the approved wage and salary plan.

I. Labor Relations

1. To assist the Negotiating Committee in negotiating labor contracts and make appropriate recommendations to the Board, as outlined in Board Policy No. 102.
2. To administer the approved labor contract and see that the appropriate supervisors

BOARD POLICY #104 (CONT.)

understand the provisions of the contract and its administration.

OPERATIONS

A. Overall Administration

1. To direct the day to day operations and activities of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION except as specified otherwise by the Bylaws or the Board; to delegate authority to immediate staff; to authorize further delegation of authority to any level of management with full recognition that the President and CEO cannot be relieved of overall responsibility or accountability.
2. To manage operations of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION in accordance with the policies and procedures of the Board and in accordance with policies and procedures of RUS and other lending institutions; as well as applicable federal, state and local laws.
3. To designate an appropriate person to serve as Acting President and CEO in an extended absence of the President and CEO. In case the President and CEO becomes incapacitated, the designated person shall serve temporarily as Acting President and CEO until the Board of Directors takes appropriate action, at a meeting to be convened as soon as possible.
4. To ensure that staff advice and assistance is provided to the Board and its committees, and to participate in the deliberations of these committees as requested or required.
5. To accept invitations to participate in or designate other staff members to participate in national, regional, state, and local meetings which further the best interests of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, within the limitations of Board Policy and the approved budget. Participation by the President and CEO in such activities which require considerable time over a sustained period requires the approval of the Board. The President and CEO serving on the Board of other organizations shall be reported to the Board.
6. To serve as the authorized spokesperson for GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION on major issues and to keep the Board up to date and well informed on such issues.

B. Membership Services

1. To direct membership services in such areas as, but not necessarily confined to, public and member relations, load management, energy conservation, marketing, communications, and research as authorized by the Board.

C. Legislation

1. To develop and carry out, in coordination with organizations such as the Kentucky Association of Electric Cooperatives and N.R.E.C.A., and within Board policy, a legislative program furthering GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S objectives and policies. Such a program will include, but not be limited to, research, preparation, and presentation of testimony before appropriate committees, consultation with members of Congress, the State Legislature, and state and federal administrative and regulatory agencies.
2. To participate with allied groups to obtain their increased understanding and support of



BOARD POLICY #104 (CONT.)

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S legislative and regulatory objectives and programs.

D. Financial

1. To make expenditures in accordance with the approved budget, including approval of non-budgeted items up to \$50,000 or all non-budgeted items, which, in his/her judgment, are vital to effect unanticipated emergency maintenance or repairs. Non-budgeted items exceeding \$50,000 which are not items vital to effect unanticipated emergency maintenance or repairs, must be presented to the Board for approval.
2. To supervise the investment or reinvestment of funds, to cash investments when due, and, when and if necessary to protect GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S cash position and carry out an effective cash management program. Investments will generally be made in CFC securities, in federal government insured or guaranteed securities, or in other securities approved by the lending agencies.
3. To authorize and approve the travel expenses of personnel except the President and CEO on company business within the limitations of the budget and within established policy. Such expenses shall be supported by itemized expense accounts with receipts attached, as appropriate. Expenses of the President and CEO will be reviewed by the Board.
4. To approve accounting systems, procedures, statistics, and types of reports necessary for sound financial management and to meet the requirements of lending and regulatory agencies and for necessary control information required by the Board.
5. To purchase or lease all equipment, vehicles, hardware, furniture, materials, and supplies within the guidelines of the budget. All purchases shall comply with RUS policies or procedures. All purchases of major equipment or large quantities of materials for distribution lines, and associated facilities shall be done with competitive bids when appropriate.
6. To negotiate contracts for construction in accordance with RUS procedures, with such contracts to be submitted to the Board for approval. Once approved, the contracts will be awarded in accordance with RUS procedures so construction completed can be reimbursed from loan funds without delay.
7. To execute and deliver purchase orders or contracts for projects previously approved by the Board.
8. To approve and sign change orders under contracts previously approved by the Board and RUS if less than \$100,000.
9. Those in excess of \$50,000 are to be reported to the Board at the next Board meeting and all changes are to be approved by RUS if appropriate.
10. After authorizing the purchase of prime insurance by the Board, to see that the documentation necessary is prepared, to achieve the lowest cost financing and to obtain approvals as are necessary.
11. To determine insurance coverage's required for effective risk management and to negotiate purchase of such coverage.
12. To authorize individual memberships in civic clubs and organizations and company

BOARD POLICY #104 (CONT.)

memberships in local organizations in which he/she thinks membership of him/herself or staff members would be beneficial and to authorize payment of dues by GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION within the limitations of the budget. Professional registration fees will only be paid for if registration in such organization is deemed to be desirable or required by the President and CEO.

13. To execute and deliver on behalf of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION agreements essential to the management of the Cooperative, such as affidavits, agreements, and leases.
14. To negotiate franchises and execute all petitions and documents in relation thereto; to acquire by purchase or lease any easements and execute, deliver and accept all documents relating thereto; to execute and deliver all environmental studies and reports; to make application for all permits relating to the operations of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION; to design, route, and determine the site for all facilities.
15. To perform all acts necessary or incidental to the management of the operations of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, unless such acts are specifically reserved to the Board pursuant to law, the Articles of Incorporation, the Bylaws, or policies.

E. Controls

1. Operations: To submit periodic and special reports to the Board on conformity of operations with approved policies and programs; to recommend any revision requiring Board approval and to direct any remedial action required.
2. Finances: To submit periodic and specific financial reports to the Board to keep them informed of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S financial position and conformance to financial plans and forecasts, and to see that all persons having access to cash or responsible for purchasing of materials are properly insured in accordance with all requirements of the lending agencies.
3. Budgets: To report monthly to the Board on the revenues and expenditures compared to budget. To recommend any revisions required, and to direct any necessary remedial action.
4. Annual Financial Audit: To participate with the Board in review, with the auditor present, of the annual financial audit and management letter and to direct any remedial action required and to ensure that the management letter, along with the Audit Report, is sent to each Board Member prior to the meeting at which they are to be discussed.
5. Materials Management: To determine the amount of and establish proper control of all physical inventories to minimize investment in inventories needed to meet operating and construction needs. To ensure that a system is established to accurately account for all materials used.
6. Member Complaints: To submit periodically to the Board an analysis of member complaints and to take any corrective action required or to recommend appropriate revisions in Board Policy.
7. Member Meetings: To report to the Board an analysis by the President and CEO and his/her staff of effectiveness of annual and other Member meetings with recommendations on any improvements which can be made.

BOARD POLICY #104 (CONT.)

8. Reliability of Service: To submit annually to the Board a report on service reliability and any remedial action taken.
9. Bylaws: To report to the Board, or a committee of the Board, an annual review with the Cooperative's Attorney of the Bylaws and to recommend any revisions required.
10. Availability of Power Supply: To report periodically to the Board on load growth compared to the power requirements studies and to recommend plans to meet anticipated growth to ensure an adequate and reliable supply for the members at the lowest possible cost consistent with sound business and management practices.
11. Rates: To continually study power and other costs compared to projections and to recommend to the Board, as far in advance as possible, any changes in retail electric rates necessary to maintain financial strength and stability and to meet all requirements of lending and regulatory agencies.
12. Construction: To review construction practices with appropriate staff to make sure projects are being constructed in accordance with RUS policies and procedures so that reimbursement for completed construction can be obtained promptly.
13. Internal Auditing: To independently assess the adequacy, effectiveness, and efficiency of the systems of control within the organization and the quality of ongoing operations against policies and procedures established by management and/or the Board, and laws of RUS and other lending institutions; as well as applicable federal, state and local laws.

III. RESPONSIBILITY

- A. The President and CEO shall report to the Board periodically on how these delegations are being carried out. The President and CEO may make further delegations to his/her staff as required.
- B. The Board is responsible for approving any changes in the delegations to the President and CEO.
- C. The Chairman shall be responsible for seeing that performance of the President and CEO is appraised each year by the full Board and that a report is made to the full Board by the Legal Counsel on the results of such appraisal, and that the results of such appraisal are discussed with the President and CEO.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

Date Adopted: 02/21/86  
Minute Book Page: 1554-1555  
Revised: 01/27/95  
Minute Book Page: 2539 - 2547  
Date Reaffirmed: 10/25/96  
Minute Book Page: 2774 – 2781  
Date Revised: 05/26/04  
Minute Book Page: 3611  
Date Reaffirmed: 07/22/11  
Minute Book Page: 4445  
Date Revised: 07/23/14



BOARD POLICY #104 (CONT.)

Minute Book Page: 4860-4868  
Date Revised : 06/21/19  
Minute Book Page

**BOARD POLICY #105**

Board of Directors—President & CEO Interrelationship

Motion was made to reaffirm Board Policy #105 by Director Trent , seconded by Director Bentley and unanimously agreed.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 105

SUBJECT: BOARD OF DIRECTORS - PRESIDENT & CEO INTERRELATIONSHIP

I. OBJECTIVE

To establish the policy governing the basic relationship between the Board of Directors and the President and CEO, including the principles involving the delegation of authority.

II. POLICY

Be it resolved that the Board of Directors of the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION establishes and maintains the following guidelines in their relationship with the President and CEO.

- A. It is recognized that good management is the most important factor to the success of the COOPERATIVE CORPORATION. In exercising such management, the Board of Directors reserves its responsibility to establish policy, approve plans and programs, and delegate authority to its President and CEO, except those that are by law, the Articles of Incorporation and Bylaws of the COOPERATIVE CORPORATION conferred upon or reserved to its members.
- B. The Board of Directors recognizes its responsibility and its need to establish policies, approve plans and programs, and delegate authority to the President and CEO to execute and carry out its plans, programs and policies. The President and CEO, shall, among other things, have authority to hire capable personnel within the approved wage and salary plan and policy and the established schedules, train and supervise, and when necessary, replace them.
- C. All policies of the Board of Directors shall be promulgated at regular and special meetings, acting collectively as a Board, and said policies shall be given to the President and CEO by the Chairman. It further recognizes that, should any Director undertake in private conversation with others to make commitments for the Board of Directors, the Director becomes involved in a serious breach of policy which might disrupt the entire organization. THEREFORE, THE BOARD OF DIRECTORS SHALL ADHERE TO THE TIME-HONORED CUSTOM THAT ITS CHAIRMAN OF THE BOARD, OR, IN HIS/HER ABSENCE, THE VICE CHAIRMAN SHALL BE THE SPOKESMAN FOR THE BOARD EXCEPT IN CASES PREVIOUSLY AUTHORIZED BY THE BOARD.
- D. It shall be the policy of the Board of Directors to refrain as individuals from discussing management problems with the personnel of the Membership Corporation, except in cases where the Board of Directors may deem it necessary to confer with personnel at regular or special meetings of the Board.

BOARD POLICY 105 (CONT.)

- E. It shall be distinctly understood that the 'flow' of authority for the management of the Membership Corporation shall pass through the President and CEO, and the President and CEO shall be the connecting link between the Board of Directors and the employed personnel. The Board of Directors shall require full and complete information from the President and CEO concerning all matters in connection with the management of the Membership Corporation as set forth in Board Policies.
- F. Primarily, the purpose of this policy is to define the relationship that shall exist between the Board of Directors, who are the elected representatives of the Membership Corporation Members, and the President and CEO, who is employed by the Board of Directors. The Board of Directors recognizes that efficient management of the Membership Corporation can exist only through mutual understanding and complete cooperation between the Board of Directors and the President and CEO. The President and CEO is expected to produce results and give an account to the Board of Directors for his/her stewardship. His/her performance cannot be of the best unless he/she is given latitude to exercise independent judgment in executing policies of the Board of Directors. The Board of Directors acknowledges that obligation and gives the President and CEO that latitude of judgment and discretion, and expects faithful performance, in carrying out all of the policies of the Board of Directors.
- G. The Board of Directors recognizes its responsibility for the employment of a President and CEO, and further recognizes the additional responsibility for a systematic appraisal of the President and CEO's performance or responsibilities in order that growth, development, and effective improvements are encouraged. The Board may, at its discretion, enter into a contract for the services of a President and CEO.

III. RESPONSIBILITY

- A. The Chairman of the Board of Directors shall be responsible for inviting the attention of Board Members to non-adherence to this policy.
- B. The Board of Director's Legal Counsel will be responsible for the systematic appraisal of the performance of the President and CEO and the submission of that report to the full Board and the President and CEO.
- C. The Board of Directors will be guided by the results of the most recent performance appraisal report and any changes in performance prior to approving the President and CEO's salary adjustment within the approved wage and salary plan and the corresponding schedule of rates.
- D. The Chairman shall be responsible for seeing that the performance of the President and CEO is appraised each year and the results discussed with the President and CEO.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

Date Adopted: 03/26/65  
Date Revised: 02/21/86  
Minute Book Page: 1554-1555  
Date Revised: 03/24/95  
Minute Book Page: 2562-2564  
Date Reaffirmed: 10/25/96  
Minute Book Page: 2781 - 2783  
Date Revised: 05/26/04  
Minute Book Page: 3612  
Date Reaffirmed: 01/21/11  
Minute Book Page: 4396

BOARD POLICY 105 (CONT.)

Date Reaffirmed: 07/23/14  
Minute Book Page: 4846-4848  
Date Reaffirmed: 06/21/19  
Minute Book Page:

**COOPERATIVE LEGAL REPORT**

Legal Counsel Willis did not have anything to report today. He continues to work with President Fraley on several bankruptcies and other legal items, as requested by the President & CEO.

**MBR SERVICES REPORT**

Tina Preece, Member Services Advisor reported on the following:

**PREPAY**

We have 819 Pre Pay active accounts and 13 inactive accounts. 3,348 payments were made in the past 30 days with an average of \$32.70 per payment. There are 52 Pre Pay accounts with Debt Management.

Tina completed 1 energy audit in May, 1 Commercial Lighting, 1 inquiry on Cooperative Solar and 1 net metering inquiry.

**LIHEAP**

We have received \$234,062.26, in payments from all LIHEAP agencies through the end of May. LIHEAP was extended through April 30th this year.

**ROW EASEMENTS**

9 easements were recorded in May. Total easements recorded since November 2017 are 1,206.

**OPERATIONS REPORT**

Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

The regular Monday morning safety meetings were held by various staff members of Grayson Rural Electric.

**SAFETY REPORT**

May 10, 2019, Brian Poling, Manager of Technical Services, was in charge of meeting. Carol Ann Fraley discussed Annual meeting and thanked everyone for a job well done. Tony Dempsey, with KAEC, was our guest speaker and he discussed updates on minor injuries that have happened this year. He worked with the men on Bucket rescue and equipment to use after the meeting. Kyle Clevenger requested that everyone be safe and have a nice weekend.

May 16, 2019, Robert Brown, Geographical Information System Technician, was in charge of meeting. Ben Tiernam with NRECA was our guest speaker. He discussed utilizing your retirement security and 401K plans and all the changes recently made. Kyle Clevenger requested that everyone be careful.

May 20, 2019, Sherry Buckler, Manager of Accounting & Human Resources, was in charge of meeting. She read out of the safety manual on Housekeeping 110 and Smoking 111, pages 31-34. Kyle Clevenger discussed the safety committee investigations for Bradley Cherry and Mike Blevins. The safety committee found no safety violations on either incident. Carol Ann Fraley presented Justin Staniford a certificate of completion for Advanced Hot Line Skills Workshop. She also mentioned that everyone needed to drive slower and watch your surroundings. Kyle Clevenger requested that everyone be careful.

May 28, 2019, Kim Bush, Executive Assistant, was in charge of meeting. She read from the safety manual on Wireless Electronic Devices 113 page 37 and



**SAFETY REPORT (CONT.)** had a discussion with the employees. Kyle Clevenger said all safety harnesses and lanyards checked today

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

**JOBS BUILT** Construction built 94 new work orders for the month of May and worked zero (0) hours of overtime.

**DELINQUENT NOTICES** There were 165 delinquents for June. 109 cards were issued to be disconnected and 10 accounts were disconnected by remote meter on June 10 for cycle 1. 56 cards were issued to be disconnected and 12 accounts were disconnected by remote meter on June 17 for cycle 2. Field personnel disconnected a total of 12 meters and a total of 14\_ meters were reconnected by field personnel and remote.

**OVERTIME HOURS** The Maintenance Department worked 389 hours of overtime; Maintenance worked 275 work order overtime hours. The Engineering Department worked 3 overtime hours in May.

**CONTRACT CREWS** We have one Pike crew working. Charlie Tim Ratcliff is working on coordination and pole changes in various counties.

**RIGHT-OF-WAY CREWS** We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 1,001 trees, cut 651 trees, cut 34,510 feet of brush/line and sprayed 93 spans of line. The crews are working in the following areas:

- 1 cutting crews in Carter, Lewis, & Greenup Counties
- 1 cutting crews in Rowan County
- 2 cutting crews in Lawrence and Elliott County
- 1 bucket truck crew in Carter, Lewis, & Greenup counties
- 1 bucket truck crew in Rowan County
- 1 bucket truck crew in Elliott County
- 1 tractor crew in Carter County
- 2 Spray Crews in Elliott County

1 Smith Tree Service, Circuit Crew on Rt. 32, Lawrence County

**ENGINEERING REPORT** The Engineering Department released 114 prints consisting of 1,701 feet of primary line and 3,125 feet of service wire.

They currently have 2 new services to be staked and 2 to be drawn. There are approximately 6 miscellaneous jobs to be staked or drawn.

**APPROVAL OF NEW MEMBERSHIPS/RETIREMENT OF EXISTING MEMBERSHIPS** Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve one hundred four (104) new memberships and retirement of ninety-nine (99) existing memberships for May 2019.

**BAD DEBT WRITE-OFFS** Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to charge off \$5,722.79 worth of bad debts and turn them over for collection.

**CEO'S, DIRECTOR'S  
& ATTORNEY'S  
BUSINESS EXPENSES**

Motion was made by Director Trent seconded by Director Martin and unanimously agreed to approve the President's business expense of \$92.51, Director's business expenses of \$5,309.06, and Attorney's business expense of \$2,203.56.

**DONATIONS**

President Fraley presented to the Board for their consideration the following donation requests:

Lewis County Educational Foundation	\$100
Elliott County Family Resource/Youth Service Center	\$100
Carter County Youth Leadership	\$250
Grayson Rotary Funtober Fest	\$150
Grayson Fire Dept Car Show	\$100
Safe Harbor Lobster Fest 2019	\$100
Hope's Place	<u>\$150</u>
<b>TOTAL</b>	<b>\$950</b>

Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

**APPROVAL OF  
ATTENDANCE TO  
MEETINGS**

Region 2 & 3 Meeting in October in Louisville. Director Trent and Chairman Dupuy have expressed interest in attending this meeting in October at the Galt House in Louisville.

Kim Bush to attend PowerUP conference for Executive Assistants.

**BOARD MEETING DATE**

The July Board Meeting will be held on Friday, July 26<sup>th</sup> at 9:00 a.m.

**MANAGEMENT AUDIT**

President Fraley presented issues concerning the Management Audit: She discussed with the Board the complications of the Management Audit and reviewed the time line. She is concerned that the Board will miss an opportunity to make decisions for themselves instead of dealing with decisions made for them by the auditors and the PSC.

**ADDITIONAL BUSINESS**

There was no additional business to bring before the Board of Directors.

**ADJOURN**

Director Bentley made a motion to adjourn. Chairman Dupuy adjourned the meeting at 12:20 p.m.

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Harold Dupuy, Chairman

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Jim Bentley, Secretary/Treasurer

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Derrick Willis, Legal Counsel







































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**President & CEO's Expenses**  
31-May-19

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<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
5/19/2019		VERIZON PHONE CHARGES	\$56.70
5/31/2019		VISA-MEAL (ANNL MTG SHOPPING)	\$22.16
5/31/2019		VISA-MEAL (SHOPPING FOR OFFICE SUPPLIES)	\$20.50
		Total CEO Expenses	\$99.36

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## DIRECTORS & ATTORNEY EXPENSES

May-19

**KENNETH ARRINGTON**

<b>Per Diem</b>	- GRECC Bd. Mtg. (5/31)	\$ 346.40
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	\$ 984.52

**JIM BENTLEY**

<b>Per Diem</b>	- GRECC Bd. Mtg. (5/31)	\$ 301.16
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	\$ 939.87

**HAROLD DUPUY**

<b>Per Diem</b>	- GRECC Bd. Mtg. (5/31)	\$ 334.80
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	\$ 973.13

**EDDIE MARTN**

<b>Per Diem</b>	EKPC Bd. Mtg. Visitor (5/7); GRECC Bd. Mtg. (5/31)	\$ 710.78
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	\$ 1,349.49

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (5/31)	\$ 340.60
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>NRECA</b>	-	-
<b>KAEC</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 978.72</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (5/21); GRECC Bd. Mtg. (5/31)	\$ 821.56
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>NRECA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,460.27</u>

**WILLIS LAW OFFICE**

<b>Mo. Hours</b>	- May Retainer	\$ 1,500.00
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>Excess Hrs</b>	-	-
<b>Out-of-Pocket</b>	-	-
<b>NRECA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 1,500.00</u>





































PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	81,340,600.75	30.0	MEMBERSHIPS	154,395.10-
2.0	CONSTRUCTION WORK IN PROGRESS	88,042.53	31.0	PATRONAGE CAPITAL	26,525,920.00-
3.0	TOTAL UTILITY PLANT	81,428,643.28	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	25,975,552.50-	33.0	OPERATING MARGINS-CURRENT YEAR	395,490.91-
5.0	NET UTILITY PLANT	55,453,090.78	34.0	NON-OPERATING MARGINS	19,857.99
			35.0	OTHER MARGINS & EQUITIES	187,933.91
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	26,868,014.11-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	16,799,934.12	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	634,222.31	38.0	LNG-TERM DEBT-FFB-RUS GUAR	27,986,301.98-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	15,925,869.58-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	17,434,255.08	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	43,912,171.56-
15.0	CASH - GENERAL FUNDS	88,515.83			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,208,998.42-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,208,998.42-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	2,658,073.94	47.0	NOTES PAYABLE	550,000.00-
21.0	ACCTS RECV - OTHER (NET)	261,642.28	48.0	ACCOUNTS PAYABLE	1,848,849.77-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,486,998.99-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	1,370,853.02	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	476,780.62	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	4,930.22	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	4,860,795.91	53.0	OTHER CURRENT & ACCRUED LIAB	1,053,869.54-
			54.0	TOTAL CURRENT & ACCRUED LIAB	4,939,718.30-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,269,952.91	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	89,192.29-
29.0	TOTAL ASSETS & OTHER DEBITS	79,018,094.68	57.0	TOTAL LIABILITIES & OTH CREDIT	79,018,094.68-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	310,690.23
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	310,690.23

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C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

Bradley Cherry  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

Chris Hill Juley  
SIGNATURE OF MANAGER

07/11/19  
DATE

07/11/19  
DATE



PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	14,110,070.85	13,060,678.13	13,537,225.35	2,078,117.76	3.5-	7.4-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	7,918,795.88-	7,282,385.00-	7,589,006.65-	1,238,916.00-	4.0-	8.0-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	656,094.29-	402,559.52-	598,617.20-	12,241.14-	32.8-	38.6-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,389,990.14-	1,563,642.82-	1,519,364.40-	313,675.48-	2.9	12.5
8.0	CONSUMER ACCOUNTS EXPENSE.....	515,952.12-	498,952.23-	489,308.90-	95,023.19-	2.0	3.3-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	81,742.83-	73,854.01-	75,657.35-	12,196.49-	2.4-	9.7-
10.0	SALES EXPENSE.....	9,451.46-	2,017.31-	8,788.40-	875.18-	77.0-	78.7-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	917,079.63-	815,756.99-	874,054.90-	180,487.55-	6.7-	11.0-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	11,489,106.35-	10,639,167.88-	11,154,797.80-	1,853,415.03-	4.6-	7.4-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,492,150.10-	1,521,408.57-	1,532,633.30-	309,356.14-	.7-	2.0
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	17,115.00-	14,595.00-	16,145.80-	2,919.00-	9.6-	14.7-
15.0	TAX EXPENSE - OTHER.....	139.07	.00	.00	.00	.0	100.0-
16.0	INTEREST ON LONG TERM DEBT.....	453,071.20-	563,996.20-	504,166.60-	114,008.86-	11.9	24.5
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	36,521.91-	22,630.11-	20,833.25-	4,823.00-	8.6	38.0-
19.0	OTHER DEDUCTIONS.....	5,458.61-	5,529.57-	5,322.85-	1,209.57-	3.9	1.3
20.0	TOTAL COST OF ELECTRIC SERVICE.....	13,493,284.10-	12,767,327.33-	13,233,899.60-	2,285,731.60-	3.5-	5.4-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	616,786.75	293,350.80	303,325.75	207,613.84-	3.3-	52.4-
22.0	NON OPERATING MARGINS - INTEREST.....	12,288.89	12,438.03	12,499.90	2,497.55	.5-	1.2
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	8,670.51	32,296.02-	2,690.15	391.93	300.5-	472.5-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	3,886.64-	.00	.00	100.0-	100.0-
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	181,738.16	106,026.75	44,791.50	.00	136.7	41.7-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	819,484.31	375,632.92	363,307.30	204,724.36-	3.4	54.2-
RATIOS							
	TIER	2.809	1.666	1.721	.796-		
	MARGINS TO REVENUE	.058	.029	.027	.099		
	POWER COST TO REVENUE	.561	.558	.561	.596		
	INTEREST EXPENSE TO REVENUE	.032	.043	.037	.055		
	CURRENT ASSETS : CURRENT LIABILITIES	.9840					
	MARGINS & EQUITIES AS % OF ASSETS	.3400					
	LONG TERM DEBT AS % OF PLANT	.5393					
	GENERAL FUNDS TO TOTAL PLANT	.1088					
	QUICK ASSET RATIO	.7065					



## DATA ON TRANSMISSION AND DISTRIBUTION PLANT MAY 2019

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	71	80	5. Miles Transmission		
2. Services Retired	142	62	6. Miles Distribution-Overhead	2,431.23	2,434.03
3. Total Services in Place	18,081	18,168	7. Miles Distribution-Underground	42.92	44.10
4. Idle Services (Exclude Seasonal)	2,649	2,797	8. Total Miles Energized (5 + 6 + 7)	2,474.15	2,478.13





GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 106

SUBJECT: COMMITTEES OF THE BOARD OF DIRECTORS

I. OBJECTIVE

To provide for the establishment of committees and to ensure that their functions are clearly defined and reviewed periodically.

II. CONTENT

- A. The Board of Directors may establish or abolish such standing or special committees, as it deems desirable.
- B. Each committee shall have such powers and duties as may be delegated to it by the Board of Directors. Functions of the committees shall be defined in a written Statement of Functions that shall be reviewed ~~annually~~ periodically by the Planning and Review Committee to determine if revisions are needed or if the committee is still required, and any appropriate recommendation shall be made to the Board.
- C. The President and CEO, or his/her designee, shall attend each committee meeting to provide staff advice and assistance.

III. RESPONSIBILITY

- A. It shall be the responsibility of the Board of Directors to establish or abolish committees, approve changes in committee functions and receive and act upon their reports or recommendations.
- B. The Chairman and the President and CEO, shall appoint the members of committees, taking into consideration the nominations of preference of the Directors and and the their experience and expertise of potential committee members. Except for the Directors may serve on special or Ad Hoc Committees and, every effort will be made so that no Director may serve on more than one Board Committee.
- C. The Chairman of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION is an ex officio member of all Board Committees, but only votes on the committee to which he may be appointed.
- D. The Chairman of such committees shall be appointed by the Chairman of the Board. The Vice Chairman shall be elected by the Committee members. The President and CEO and the Executive Assistant shall serve all committees as research and information assistants and keep a record of the minutes.
- E. Board Committees shall only meet as needed. The President and CEO, in consultation with the committee chairman, or the committee chairman, in consultation with the President and CEO, may convene a meeting of the committee. Dates of all committee meetings shall be coordinated with the President and CEO or his/her designee, to avoid conflict and assure completion of any required staff study or support. A majority of the committee may call a meeting of the committee.
- F. A preliminary agenda shall be prepared for each committee meeting by the President and CEO in consultation with the Chairman of the committee, and mailed to each committee member at least five days in advance of the committee meeting. This requirement may be waived by a majority of the committee in an emergency.

GRECC BOARD POLICY 106  
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- G. Minutes shall be kept of each committee meeting. Minutes of the committee meetings shall be sent to the Board of Directors. A report shall be made by the committee chairman to the Board at its next meeting.

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Roger L. Trent, Chairman

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Billy E. "Eddie" Martin, Secretary/Treasurer

Date Adopted: 02/21/86  
Minute Book Page: 1554-1555  
Date Revised: 03-24-95  
Minute Book Page: 2564-2565  
Date Revised: 10/25/96  
Minute Book Page: 2783-2784  
Date Revised: 07/22/97  
Minute Book Page: 2922 - 2923  
Date Reviewed: 05/26/04  
Minute Book Page: 3612  
Date Reaffirmed: 07/22/11  
Minute Book Page: 4445  
Date Reaffirmed: 07/23/14  
Minute Book Page: 4848-4849  
Date Revised:  
Minute Book Page:

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 107

SUBJECT: STATEMENT OF FUNCTIONS OF THE NEGOTIATING COMMITTEE

I. OBJECTIVE

To monitor the process, study, advise, and make recommendations to the Board of Directors and President and CEO on matters relating to the negotiation of union labor contracts and agreements and/or settlements reached between the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and the union employees.

II. RESPONSIBILITIES

- A. The Negotiating Committee ~~may recommend that the Board of is empowered by the~~ GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION ~~to~~ engage outside legal counsel, ~~if necessary, as it deems appropriate.~~
- B. The Committee, on behalf of the Cooperative, shall oversee the negotiation process for all labor union contracts.
- C. The Negotiating Committee and the President and CEO shall serve as the Cooperative's representatives on any committee formed to address a formal complaint, grievance, or dispute arising from the application or performance of the Union Agreement with representatives of the bargaining unit.
- D. The President and CEO and/or his/her designee shall attend all meetings of the Negotiating Committee and shall, if the Committee so desires, act as spokesperson for the Committee.

III. ORGANIZATIONAL RELATIONSHIPS

- A. The Negotiating Committee is appointed by the Chairman of the Board of Directors. The number of members serving on this Committee shall be at the discretion of the Board.
- B. The Committee shall report to the Board of Directors and make recommendations pertaining to the ratification of contracts and/or agreements or settlements reached between the Cooperative and union employees.

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Roger L. Trent, Chairman

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Billy E. "Eddie" Martin, Secretary/Treasurer

Adopted: 2/21/86  
Date Revised: 2/28/92  
Minute Book Page: 2100  
Date Revised: 10/25/96  
Minute Book Page: 2784 - 2785  
Date Revised: 12/20/96  
Minute Book Page: 2828  
Date Reaffirmed: 03/24/03  
Minute Book Page: 3477  
Date Revised: 07/23/14  
Minute Book Page: 4868-4869

| Date Revised:  
Minute Book Page:

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 108

SUBJECT: STATEMENT OF FUNCTIONS OF THE PLANNING AND REVIEW COMMITTEE

I. BASIC FUNCTION

To actively provide, an in-depth review of financial and cash management and controls, and to provide assurance to the Board that effective end results are being achieved, and that matters on which they must act have been thoroughly studied and considered before they are asked to take action.

II. DUTIES AND RESPONSIBILITIES

The Planning and Review Committee shall meet as necessary called, to perform any and/or all of the following duties:

Reviews, with the President and CEO, firms available to conduct the independent financial audit and makes an appropriate recommendation to the Board. Recommends to the Board of Directors the selection of the auditor and the scope of any special emphasis desired in the audit.

Studies staff recommendations on financial management policies and makes appropriate recommendations to the Board.

Reviews capital credits policies and practices and makes appropriate recommendations to the Board.

Reviews, as necessary, in consultation with the President & CEO, power requirement studies and load projections to make sure they are realistic and are reflected in GRAYSON RURAL ELECTRIC COOPERATIVE's planning for additional distribution, transmission, requests for additional substation facilities, communication facilities and system improvement. Considers their impact on financial forecasts, budgets, rates, need for loan funds, etc., and makes appropriate recommendations to the Board of Directors.

Compares forecasts to actual load projections and discusses with the President and CEO any remedial action required.

Reviews major contracts, agreements, and bids requiring Board approval, within the responsibility of this committee, and makes an appropriate recommendation to the Board.

Reviews the long-range financial plans and forecasts to determine the financial needs of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and how they will be met and makes appropriate recommendations to the Board of Directors.

Reviews financial and other operating statements including, with the auditor present, the annual financial audit and the management letter to determine if any action is required and discusses such action with the President and CEO and makes appropriate recommendations to the Board.

Reviews corporate accounting and internal auditing programs and makes appropriate recommendations to the President and CEO or Board of Directors.

Reviews objectives and goals in areas assigned to this committee and makes appropriate recommendations to the Board.



GRECC BOARD POLICY 108  
PAGE 2

Reviews recommendations of the President and CEO on the selection of principal consultants within areas this committee is responsible for, and makes appropriate recommendations to the Board.

Reviews the long range objectives and goals of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION as recommended by the President and CEO and makes an appropriate recommendation to the Board.

Reviews the consolidated operating and capital budgets as recommended by the President and CEO and makes appropriate recommendations to the Board.

Reviews proposed risk management policies and coverage's as recommended by the President and CEO to ensure that the assets of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION are protected and makes appropriate recommendations to the Board.

Reviews proposed policies or revisions to policies as recommended by the President and CEO in area assigned to the committee and makes an appropriate recommendation to the Board.

Reviews, in consultation with the President and CEO, system and other engineering studies and engineering work plans, and the impact this will have on future financing, rates, and system operations, and makes appropriate recommendations to the Board of Directors.

Reviews and acts upon recommendations of the President and CEO on service rules and regulations and conditions of service and makes appropriate recommendations to the Board.

III. ORGANIZATIONAL RELATIONSHIPS

- A. Reports to the Board of Directors and serves the Board in such other capacities as may be assigned
- B. The Committee shall be appointed by the Chairman of the Board and comprised of not more than four directors, including the Secretary and/or Treasurer.
- C. The Chairman of such committees shall be appointed by the Chairman of the Board. Any other necessary officers shall be elected by the Committee members.
- D. Normally, the entire Board of Directors at a regular board meeting shall participate in all of the duties contained herein, and the Committee shall meet only when it is impossible or impractical for the Board, as a whole, to address these responsibilities. The President and CEO in consultation with the Committee Chairman, or the Committee Chairman in consultation with the President and CEO, or the Chairman of the Board may convene a meeting of the Committee. Dates of all committee meetings shall be coordinated with the President and CEO or his/her designee to avoid conflict and to assure completion of any required staff study or support. A majority of the Committee may call a meeting of the Committee.
- E. The Chairman may appoint subcommittees from the Committee's membership to study specific areas. Written statements of the functions of such subcommittees should be prepared and reviewed periodically.
- F. Staff Assistant: President and CEO or his/her designee.

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IV. TERMS OF OFFICE

- A. The Committee is a continuing one.
- B. The term of each member shall be determined by the Chairman of the Board.

V. RESPONSIBILITY

It shall be the responsibility of the Chairman of the Board of Directors to see that this policy is adhered to.

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Roger L. Trent, Chairman

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Billy E. "Eddie Martin" Secretary/Treasurer

Date Adopted: 02/21/86  
Minute Book Page: 1554-1555  
Date Revised: 08/27/93  
Minute Book Page: 2307 - 2311  
Dated Revised: 11/23/94  
Minute Book Page: 2499 - 2502  
Date Revised: 03/24/95  
Minute Book Page: 2566-2569  
Date Reaffirmed: 10/25/96  
Minute Book Page: 2785 - 2788  
Date Reviewed: 05/26/04  
Minute Book Page: 3612  
Date Revised: 07/22/11  
Minute Book Page: 4453 - 4456  
Revised Date: 07/23 /14  
Minute Book Page: 4869-4871  
Date Revised::  
Minute Book Page:





GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 109

SUBJECT: ANTI-NEPOTISM

I. OBJECTIVE

To set forth a policy with regard to the employment of close relatives of the Board of Directors and employees of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION. To prohibit the possible undesirable influences of family relationships and to make employment available to as many different families as possible in view of the public nature of the COOPERATIVE'S business.

II. POLICY

A. The usual practice of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION is not to hire an employee's or Director's immediate family either on a temporary or full time basis. The term " immediate family" shall include, but is not limited to children, foster children, grandchildren, brother or sister, husband, wife, parents, foster parents, grandparents, aunts, uncles, nieces, nephews, in-laws, or any relative living in the employee's or Director's household. However, exception can be made, pending management or Board approval.

B. When any two employees become "immediate family" by marriage or otherwise, one of them will be required to terminate his/her employment with the COOPERATIVE. The determination as to which employee shall terminate will be made by the affected employees.

C. When a Director and another Director or employee become "immediate family: as defined in paragraph A, the provisions outlined in The Cooperative Bylaws, Article IV, Section 3, shall prevail.

III. RESPONSIBILITY

A. This policy shall be enforced by the President and CEO.

B. The President and CEO shall be responsible for making Directors and employees aware of this policy.

\_\_\_\_\_  
Roger L. TrentHarold Dupuy, Chairman

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Billy E. "Eddie" MartinJim Bentley, Secretary/Treasurer

Board Approved: 09/27/79  
Formerly Board Policy No. 14  
Policy Revised: 07//25/86  
Minute Book Page: 1578-1579  
Policy Revised: 10/25/96  
Minute Book Page: 2788 – 2789  
Date Reaffirmed: 04/24/03  
Minute Book Page: 3495

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PAGE 2

Policy Revised: 07/22/11  
Minute Book Page: 4456-4457  
Policy Rescinded: 07/22/11  
Minutes Book Page: 4457  
Policy Adopted: 02/24/12  
Minute Book Page: 4524-4525  
Date Reaffirmed: 07/23/14  
Minute Book Page: 4848-4850  
Date Reaffirmed: 07/26/19  
Minute Book Page: \_\_\_\_\_

# Grayson Rural Electric Financial Report

July 26, 2019

At A Glance....

May

<u>kWh Sales (5/01 - 5/31)</u>		<u>Margins</u>	
Month	-3.34%	Month	\$ (204,724.36)
YTD	-2.03%	YTD	\$ 375,632.92
<u>kWh Purchases (5/01 - 5/31)</u>		<u>TIER</u>	
Month	-3.84%	Month	(0.80)
YTD	-2.56%	YTD	1.67
<u>Line Loss</u>			
Month	2.45%		
YTD	5.11%		

Fuel Adjustment (0.016436)

ESC 8.04%

Degree Days 229

Heating Degree Days 58

Cooling Degree Days 171

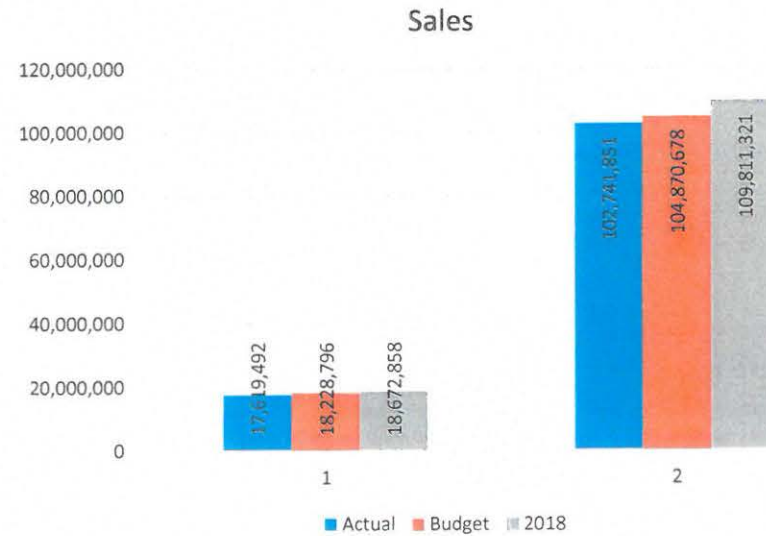
**Notes:**

- Capital Credits
- Auditor
- Inventory



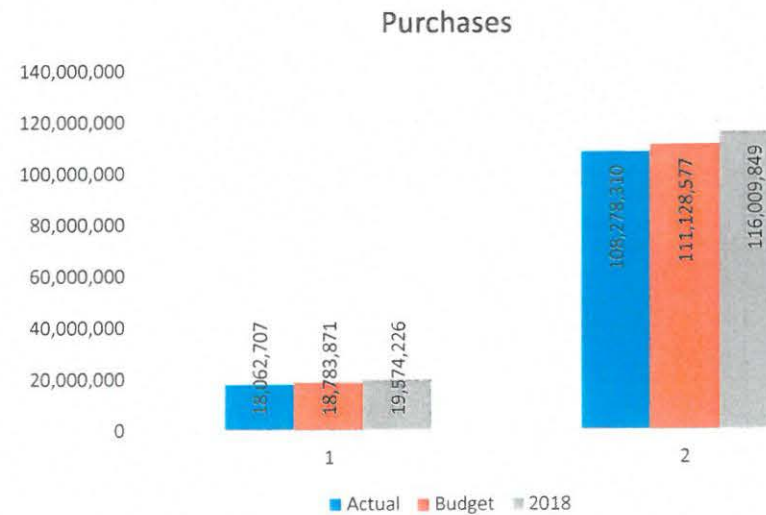
**Sales**

	May		
	2019	2018	2018-2016
Actual	17,619,492	18,672,858	18,618,026
Budget	18,228,796		
Difference	(609,304) -3.34%	(1,053,366) -5.64%	(998,534) -5.36%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	102,741,851	109,811,321	100,619,471
Budget	104,870,678		
Difference	(2,128,827)	(7,069,470)	2,122,380
% Difference	-2.03%	-6.44%	2.11%



**Purchases**

	May		
	2019	2018	2018-2016
Actual	18,062,707	19,574,226	18,263,499
Budget	18,783,871		
Difference	(721,164) -3.84%	(1,511,519) -7.72%	(200,792) -1.10%
<hr/>			
	YTD-2019	YTD-2018	YTD-Prev 3
Actual	108,278,310	116,009,849	109,442,212
Budget	111,128,577		
Difference	(2,850,267)	(7,731,539)	(1,163,902)
% Difference	-2.56%	-6.66%	-1.06%







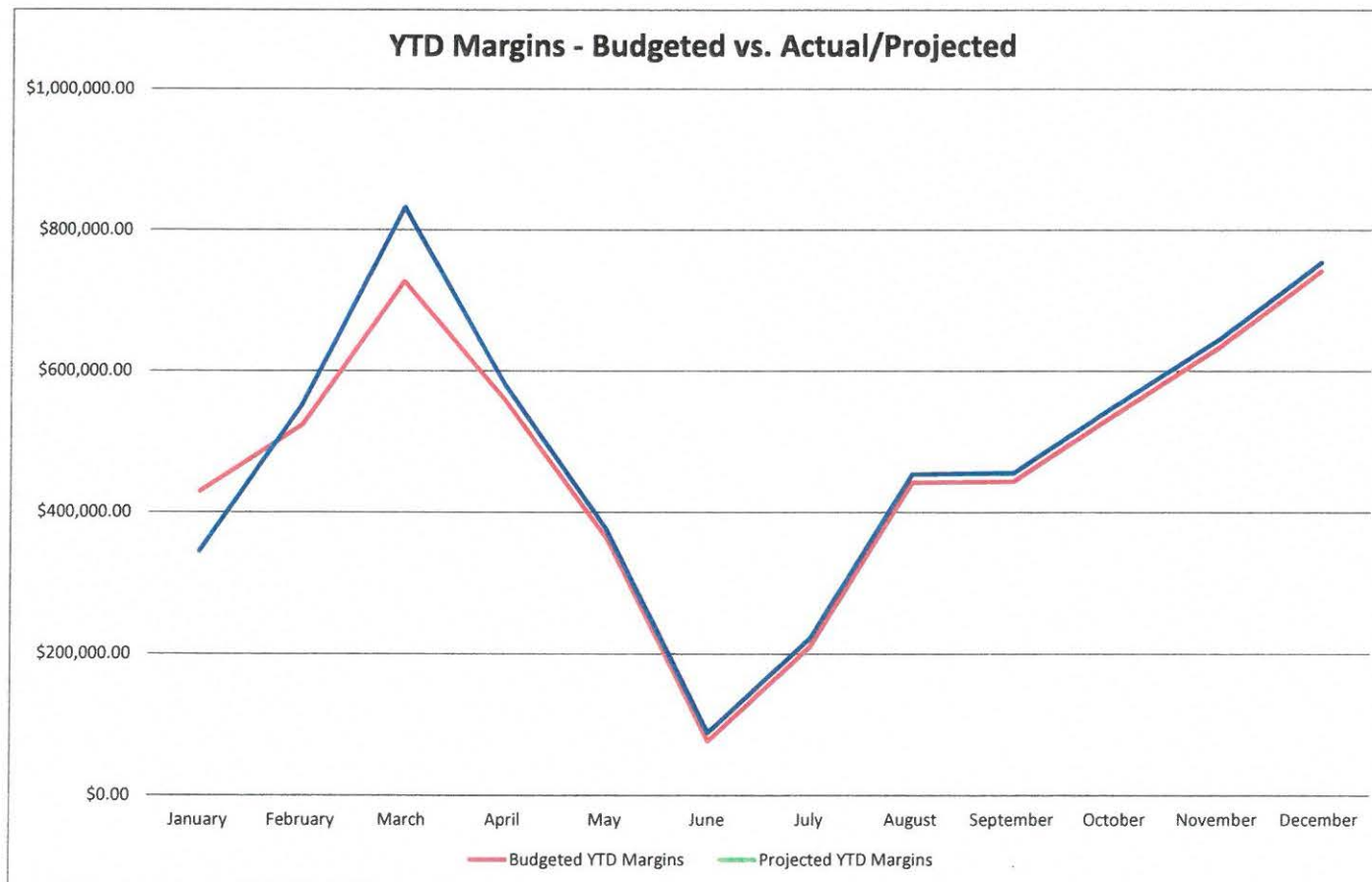
Monthly Operating Revenue & Expenses

	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019
Revenue	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)	(2,478,603)	(2,813,944)	(3,334,161)	(2,786,358)	(2,870,470)	(1,991,572)	(2,078,118)
Purchased Power	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931	1,510,651	1,817,572	1,871,104	1,453,073	1,512,229	1,207,063	1,238,916
Gross Margins	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)	(967,952)	(996,372)	(1,463,057)	(1,333,285)	(1,358,241)	(784,509)	(839,202)
Operations	132,952	127,940	107,275	98,351	158,993	116,285	56,009	76,840	118,526	128,370	130,860	12,561	12,241
Maintenance	274,977	302,246	325,625	294,925	335,119	275,067	308,084	404,689	259,448	305,219	354,468	330,831	313,675
Customer Service	106,216	94,086	98,169	105,830	97,342	97,519	114,519	69,478	112,960	101,311	98,265	91,393	95,023
Informational Advertising	15,574	15,238	12,503	18,053	14,962	21,362	17,064	16,538	15,856	15,369	17,856	12,576	12,196
Demonstration Advertising	2,213	1,699	905	1,773	567	1,293	359	463	16	229	627	270	875
Admin & General	265,865	158,068	158,346	168,504	166,426	231,201	168,065	169,431	186,397	128,357	155,114	165,401	180,488
Depreciation	299,474	299,295	301,100	302,217	298,569	297,200	298,831	300,425	300,960	302,398	303,019	305,676	309,356
Regulatory	3,423	2,559	2,559	2,559	2,559	2,559	2,559	2,556	2,919	2,919	2,919	2,919	2,919
Interest - LTD	94,467	94,451	95,142	98,872	98,224	98,599	111,463	111,463	118,602	110,710	110,532	110,143	114,009
Interest - Deposits	1,394	1,445	1,423	1,414	1,424	7,435	9,431	7,865	6,572	2,705	3,901	4,629	4,823
Miscellaneous Expense	5,408	2,663	6,167	13,937	11,869	801	531	895	700	675	1,350	1,395	1,210
Interest Income	(2,468)	(2,455)	(2,459)	(2,472)	(2,513)	(2,478)	(3,416)	(2,508)	(2,493)	(2,455)	(2,456)	(2,536)	(2,498)
Non-Electric Revenue	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)	(5,613)	(400)	(2,176)	41,766	(3,943)	(2,959)	(392)
Capital Credits	-	-	-	(35,087)	(2,274)	-	-	-	-	-	(12,808)	(93,219)	-
Margins	394,450	424,432	(72,760)	(227,575)	98,238	212,516	109,934	180,857	(344,769)	(208,320)	(278,947)	247,791	204,724
* ( )s = positive margins													
Operating Expenses	1,201,963	1,099,889	1,109,213	1,108,438	1,188,054	1,149,321	1,086,915	1,180,137	1,122,957	1,098,462	1,178,911	1,037,795	1,046,816
Monthly OTIER	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.16)	0.01	(0.45)	3.91	2.88	3.52	(1.25)	(0.80)
Revenue	(30,045,070)	(29,836,079)	(29,788,351)	(30,237,157)	(31,836,011)	(32,014,571)	(32,045,613)	(31,593,287)	(31,045,488)	(31,024,804)	(30,915,580)	(30,619,124)	(30,543,894)
Purchased Power	18,146,334	18,252,872	18,193,238	18,184,863	18,361,224	18,363,091	18,388,794	18,299,724	17,954,038	17,815,752	17,856,968	17,772,116	17,663,313
Gross Margins	(11,898,736)	(11,583,207)	(11,595,113)	(12,072,494)	(13,474,787)	(13,651,480)	(13,656,819)	(13,293,563)	(13,091,450)	(13,209,052)	(13,058,612)	(12,847,008)	(12,880,581)
Operations	1,371,826	1,397,164	1,388,355	1,382,561	1,441,831	1,431,767	1,379,997	1,397,789	1,363,105	1,364,338	1,373,496	1,264,964	1,144,253
Maintenance	3,380,487	3,359,363	3,330,367	3,375,194	3,483,785	3,485,240	3,522,854	3,835,745	3,636,500	3,690,522	3,719,857	3,770,099	3,809,397
Customer Service	1,105,770	1,104,811	1,108,900	1,123,060	1,126,096	1,131,052	1,158,308	1,192,896	1,194,904	1,201,073	1,199,636	1,187,089	1,175,896
Informational Advertising	230,186	229,033	225,044	224,285	212,280	208,032	201,686	197,483	202,300	193,680	192,137	192,952	189,574
Demonstration Advertising	21,415	21,626	21,189	21,099	20,166	19,771	18,400	16,510	14,549	12,863	11,838	10,414	9,075
Admin & General	2,102,218	2,061,491	2,089,213	2,078,990	2,059,836	2,105,768	2,117,378	2,137,120	2,165,183	2,146,690	2,144,468	2,121,175	2,035,798
Depreciation	3,534,829	3,544,421	3,555,232	3,589,711	3,578,075	3,580,818	3,585,984	3,589,787	3,593,539	3,597,975	3,602,409	3,609,164	3,619,045
Regulatory	41,244	39,781	38,318	36,855	35,392	33,929	34,478	36,025	34,521	34,017	33,513	33,009	32,505
Interest - LTD	1,056,893	1,071,890	1,081,503	1,094,898	1,107,891	1,122,504	1,150,073	1,177,645	1,206,245	1,229,758	1,253,717	1,252,211	1,271,753
Interest - Deposits	11,586	12,360	13,115	13,856	14,612	21,379	30,146	37,418	42,582	43,891	46,400	49,638	53,067
Miscellaneous Expense	58,349	59,248	63,985	73,842	81,831	80,183	75,752	71,812	65,800	59,639	51,411	46,540	42,342
Interest Income	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)	(29,593)	(30,555)	(30,599)	(30,613)	(30,605)	(30,637)	(30,708)	(30,738)
Non-Electric Revenue	(78,841)	(75,137)	(73,757)	(72,518)	(42,823)	(41,298)	(46,720)	(42,836)	(46,548)	(4,829)	281	(895)	(1,870)
Capital Credits	(104,988)	(104,444)	(104,444)	(139,531)	(108,004)	(108,004)	(108,004)	(108,004)	(108,004)	(108,004)	(143,368)	(143,368)	(143,368)
Margins	782,405	1,308,690	1,112,141	677,991	(518,118)	(610,132)	(589,039)	14,217	242,613	211,503	396,527	515,855	326,130
Operating Expense	12,894,804	12,901,199	12,895,092	12,992,115	13,189,176	13,220,243	13,273,058	13,489,210	13,519,228	13,574,447	13,628,882	13,537,854	13,382,707
Rolling 12 Month TIER	0.26	(0.22)	(0.03)	0.38	1.47	1.54	1.49	0.99	0.80	0.83	0.68	0.59	0.74





	2019 Monthly Margins			2019 YTD Margins			2019 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37	\$428,871.20	-\$84,101.83	\$344,769.37
February	\$208,319.82	\$94,493.20	\$113,826.62	\$553,089.19	\$523,364.40	\$29,724.79	\$553,089.19
March	\$278,946.97	\$203,128.50	\$75,818.47	\$832,036.16	\$726,492.90	\$105,543.26	\$832,036.16
April	-\$251,678.88	-\$168,845.80	-\$82,833.08	\$580,357.28	\$557,647.10	\$22,710.18	\$580,357.28
May	-\$204,724.36	-\$194,339.80	-\$10,384.56	\$375,632.92	\$363,307.30	\$12,325.62	\$375,632.92
June	\$0.00	-\$286,864.80			\$76,442.50		\$88,768.12
July	\$0.00	\$133,168.20			\$209,610.70		\$221,936.32
August	\$0.00	\$231,461.20			\$441,071.90		\$453,397.52
September	\$0.00	\$2,063.20			\$443,135.10		\$455,460.72
October	\$0.00	\$95,721.20			\$538,856.30		\$551,181.92
November	\$0.00	\$93,498.20			\$632,354.50		\$644,680.12
December	\$0.00	\$109,169.81			\$741,524.31		\$753,849.93





## Margins/Tier

### May

	2019	2018	2018-2016
Revenue	(2,078,118)	(2,153,347)	(2,251,549)
Purchase Power	1,238,916	1,347,719	1,254,616
<i>Gross Margins</i>	(839,202)	(805,628)	(996,933)
Operating Expenses	1,046,816	1,201,963	1,122,272
Margins	204,724	394,450	121,058
OTIER	(0.80)	(3.18)	(0.26)

### Year to Date

	2019	2018	2018-2016
Revenue	(13,060,678)	(14,110,071)	(12,628,915)
Purchase Power	7,282,385	7,918,796	16,947,326
<i>Gross Margins</i>	(5,778,293)	(6,191,275)	4,318,410
Operating Expenses	5,484,941	5,591,444	5,446,794
Margins	(293,352)	(599,831)	(26,153)
TIER	1.52	2.28	1.06

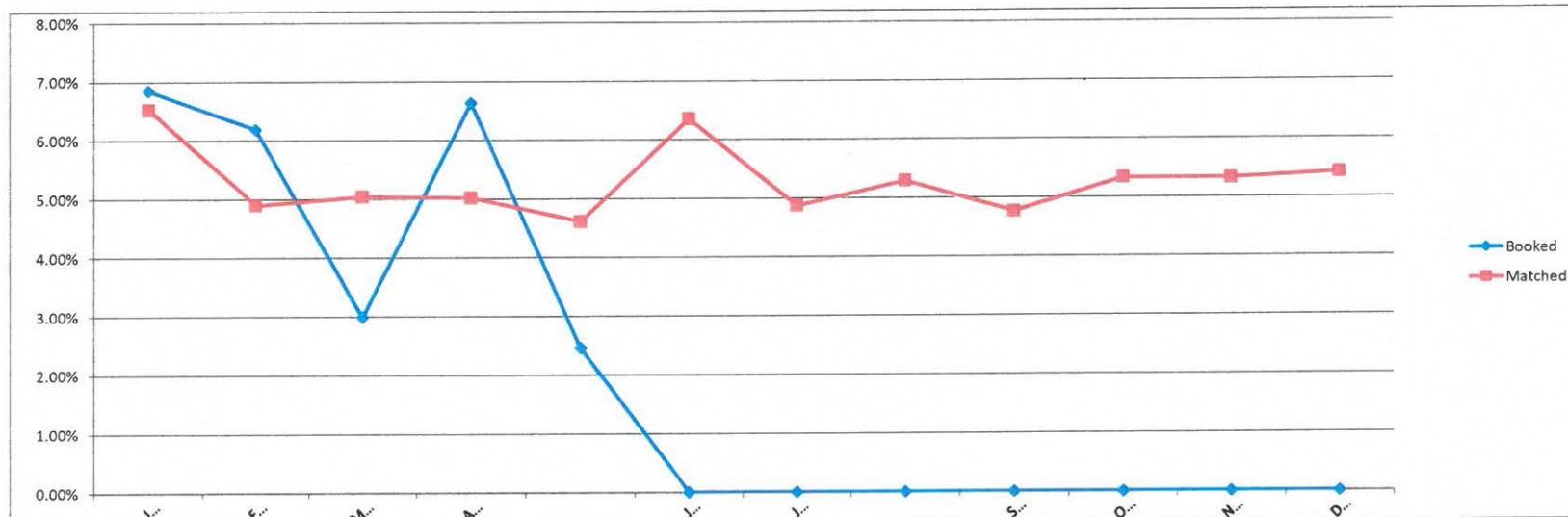


2019 May Bill			
	Average	HDD	CDD
1-May	74	0	9
2-May	74	0	9
3-May	68	0	3
4-May	66	0	1
5-May	59	6	0
6-May	60	5	0
7-May	64	1	0
8-May	71	0	6
9-May	72	0	7
10-May	69	0	4
11-May	57	8	0
12-May	60	5	0
13-May	54	11	0
14-May	57	8	0
15-May	56	9	0
16-May	63	2	0
17-May	73	0	8
18-May	74	0	9
19-May	77	0	12
20-May	69	0	4
21-May	62	3	0
22-May	71	0	6
23-May	78	0	13
24-May	78	0	13
25-May	78	0	13
26-May	77	0	12
27-May	75	0	10
28-May	80	0	15
29-May	76	0	11
30-May	69	0	4
31-May	67	0	2
	68.6	58	171
		229	

2018 May Bill			
	Average	HDD	CDD
1-May	60	5	0
2-May	67	0	2
3-May	73	0	8
4-May	70	0	5
5-May	64	1	0
6-May	66	0	1
7-May	67	0	2
8-May	65	0	0
9-May	68	0	3
10-May	73	0	8
11-May	72	0	7
12-May	74	0	9
13-May	74	0	9
14-May	75	0	10
15-May	77	0	12
16-May	72	0	7
17-May	74	0	9
18-May	74	0	9
19-May	73	0	8
20-May	74	0	9
21-May	77	0	12
22-May	75	0	10
23-May	72	0	7
24-May	70	0	5
25-May	74	0	9
26-May	75	0	10
27-May	77	0	12
28-May	78	0	13
29-May	76	0	11
30-May	79	0	14
31-May	76	0	11
	72.3	6	232
		238	



	January	February	March	April	May	June	July	August	September	October	November	December	Total 2019
<b>2019</b>													
<b>Sales</b>	26,326,123.00	20,707,703.00	22,571,095.00	15,517,438.00	17,619,492.00								102,741,851.00
<b>2018</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00	21,708,170.00	24,215,241.00	109,811,321.00
<b>Purchases:</b>													
<b>2019</b>	28,258,930.00	22,071,790.00	23,265,758.00	16,619,125.00	18,062,707.00								108,278,310.00
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00	22,926,383.00	25,599,491.00	116,009,849.00
<b>kWh Loss</b>													
<b>2019</b>	1,932,807.00	1,364,087.00	694,663.00	1,101,687.00	443,215.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,536,459.00
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	1,218,213.00	1,384,250.00	6,198,528.00
<b>% Line Loss</b>													
<b>2019</b>	6.84%	6.18%	2.99%	6.63%	2.45%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.11%
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	5.31%	5.41%	5.34%



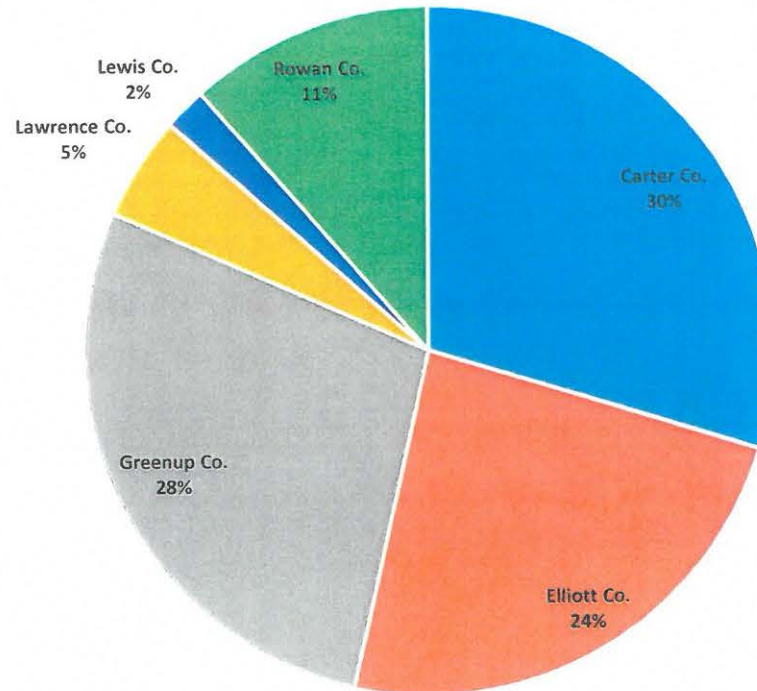




# Bills by County

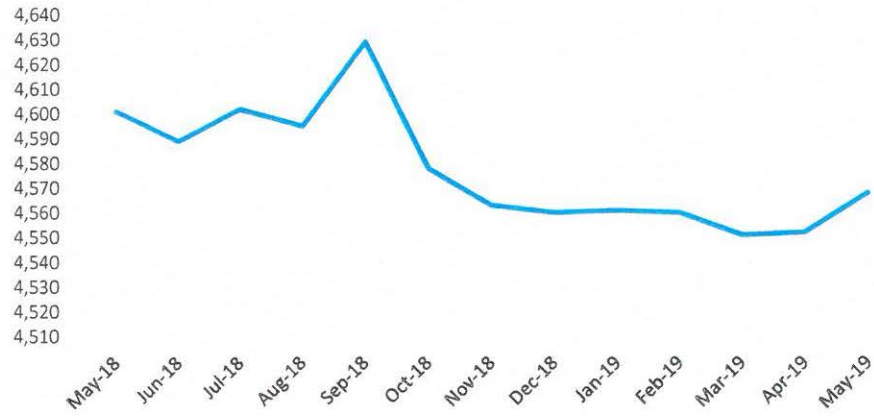
	May-19	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18
Carter Co.	4,568	4,552	4,551	4,560	4,561	4,560	4,563	4,578	4,629	4,595	4,602	4,589	4,601
Elliott Co.	3,656	3,663	3,632	3,632	3,616	3,647	3,635	3,645	3,660	3,657	3,667	3,655	3,689
Greenup Co.	4,314	4,288	4,255	4,266	4,274	4,270	4,274	4,296	4,293	4,302	4,293	4,262	4,292
Lawrence Co.	750	746	746	744	741	760	747	761	770	761	761	763	761
Lewis Co.	310	307	307	313	311	312	313	318	323	321	314	315	311
Rowan Co.	1,773	1,792	1,773	1,799	1,770	1,776	1,765	1,786	1,771	1,764	1,768	1,789	1,778
	15,371	15,348	15,264	15,314	15,273	15,325	15,297	15,384	15,446	15,400	15,405	15,373	15,432

# of Bills  
May 2019

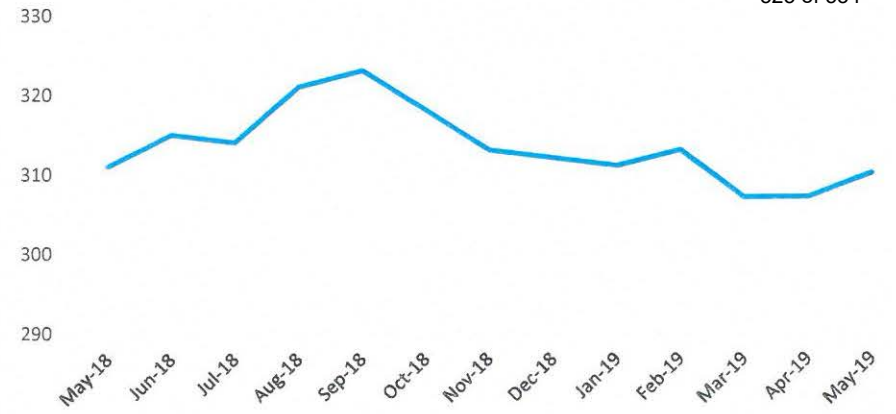




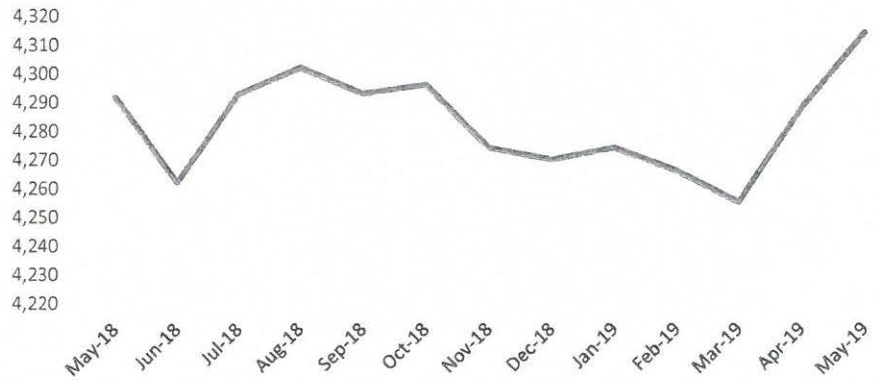
Carter Co.



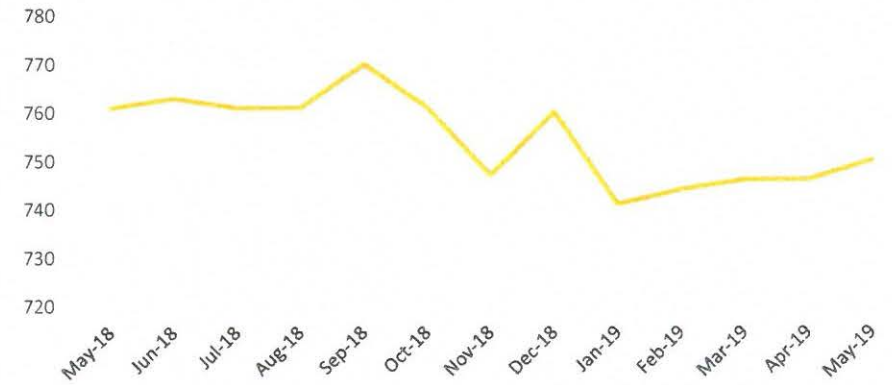
Lewis Co.



Greenup Co.



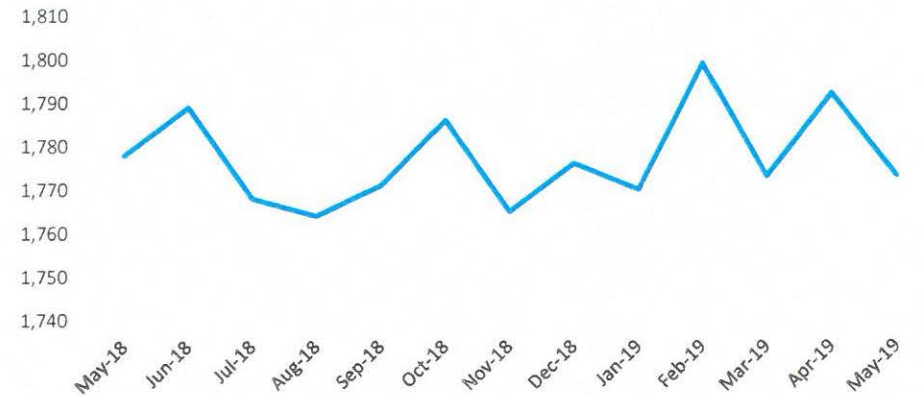
Lawrence Co.



Lewis Co.



Rowan Co.





## REVENUE SUMMARY MAY 2019

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 267,714.31	\$ (31,411.32)	\$ 6,717.52	\$ 13.75	\$ 3,051.95	\$ 18,939.36	\$ 265,025.57	\$ 3,164.58	\$ 6.48	\$ 5,755.70	2,408	2,039,558
\$ 291,456.82	\$ (35,179.25)	\$ 12,624.91	\$ 22.00	\$ 1,315.97	\$ 21,365.56	\$ 291,606.01	\$ 2,868.45	\$ 114.92	\$ 6,045.42	2,865	2,193,978
\$ 61,869.99	\$ (7,103.85)	\$ 1,782.87	\$ 5.50	\$ 749.99	\$ 4,408.89	\$ 61,713.39	\$ 910.28	\$ -	\$ 1,316.72	613	461,245
\$ 789,266.17	\$ (100,127.03)	\$ 22,905.28	\$ 71.50	\$ 3,471.72	\$ 56,544.07	\$ 772,131.71	\$ 6,237.25	\$ 114.84	\$ 16,247.03	5,943	6,242,714
\$ -	\$ (137.59)	\$ 1,589.50	\$ 2.75	\$ -	\$ 116.96	\$ 1,571.62	\$ 7.00	\$ 1.50	\$ 38.37	100	8,374
<b>\$ 1,410,307.29</b>	<b>\$ (173,959.04)</b>	<b>\$ 45,620.08</b>	<b>\$ 115.50</b>	<b>\$ 8,589.63</b>	<b>\$ 101,374.84</b>	<b>\$ 1,392,048.30</b>	<b>\$ 13,187.56</b>	<b>\$ 237.74</b>	<b>\$ 29,403.24</b>	<b>11,929</b>	<b>10,945,869</b>
\$ 19,438.92	\$ (1,253.20)	\$ 535.80	\$ -	\$ 11.00	\$ 1,503.93	\$ 20,236.45	\$ 40.74	\$ -	\$ 287.64	334	76,344
\$ 22,663.19	\$ (1,507.27)	\$ 445.41	\$ -	\$ 99.00	\$ 1,723.46	\$ 23,423.79	\$ 122.25	\$ -	\$ 277.75	371	93,792
\$ 21,792.99	\$ (1,123.37)	\$ 854.95	\$ -	\$ 44.00	\$ 1,723.02	\$ 23,291.59	\$ 101.71	\$ 3.48	\$ 404.53	459	69,337
\$ 48,591.96	\$ (2,915.43)	\$ 1,275.20	\$ -	\$ 94.41	\$ 3,761.14	\$ 50,807.28	\$ 229.34	\$ 155.93	\$ 1,153.03	894	179,266
\$ 8,004.47	\$ (509.98)	\$ 272.08	\$ -	\$ 33.00	\$ 621.15	\$ 8,420.72	\$ 65.97	\$ 42.21	\$ 130.26	140	31,353
\$ 910.35	\$ (44.82)	\$ 46.45	\$ -	\$ -	\$ 73.30	\$ 985.28	\$ -	\$ -	\$ 25.21	21	2,727
\$ 1,347.60	\$ (59.08)	\$ 89.35	\$ -	\$ -	\$ 110.76	\$ 1,488.63	\$ 9.17	\$ -	\$ 34.03	34	3,592
<b>\$ 122,749.48</b>	<b>\$ (7,413.15)</b>	<b>\$ 3,519.24</b>	<b>\$ -</b>	<b>\$ 281.41</b>	<b>\$ 9,516.76</b>	<b>\$ 128,653.74</b>	<b>\$ 569.18</b>	<b>\$ 201.62</b>	<b>\$ 2,312.45</b>	<b>2,253</b>	<b>456,411</b>
\$ 154,010.93	\$ (19,631.03)	\$ 4,096.97	\$ 2.75	\$ -	\$ 11,133.33	\$ 149,612.95	\$ 523.48	\$ 6,816.51	\$ 3,608.72	942	1,194,379
\$ -	\$ (27.68)	\$ 358.95	\$ -	\$ -	\$ 26.65	\$ 357.92	\$ 8.58	\$ 17.44	\$ 10.37	8	1,684
\$ 12,393.01	\$ (1,353.06)	\$ 1,914.95	\$ -	\$ -	\$ 1,041.58	\$ 13,996.48	\$ 24.96	\$ 261.01	\$ 299.89	157	82,323
<b>\$ 166,403.94</b>	<b>\$ (21,011.77)</b>	<b>\$ 6,370.87</b>	<b>\$ 2.75</b>	<b>\$ -</b>	<b>\$ 12,201.56</b>	<b>\$ 163,967.35</b>	<b>\$ 557.02</b>	<b>\$ 7,094.96</b>	<b>\$ 3,918.98</b>	<b>1,107</b>	<b>1,278,386</b>
\$ 191,629.71	\$ (32,512.39)	\$ 1,084.70	\$ -	\$ -	\$ 12,880.48	\$ 173,082.50	\$ 506.70	\$ 5,828.86	\$ 4,267.13	70	1,978,086
\$ 92.57	\$ (7.23)	\$ -	\$ -	\$ -	\$ 6.86	\$ 92.20	\$ -	\$ 5.53	\$ -	1	240
\$ 36,569.60	\$ (6,110.54)	\$ 568.35	\$ -	\$ -	\$ 2,494.61	\$ 33,522.02	\$ -	\$ -	\$ 1,005.66	8	371,778
<b>\$ 228,291.88</b>	<b>\$ (38,630.16)</b>	<b>\$ 1,653.05</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,381.95</b>	<b>\$ 206,696.72</b>	<b>\$ 506.70</b>	<b>\$ 5,834.39</b>	<b>\$ 5,272.79</b>	<b>79</b>	<b>2,350,104</b>
\$ 156,142.95	\$ (42,487.84)	\$ 33.95	\$ -	\$ -	\$ 9,140.60	\$ 122,829.66	\$ -	\$ 4,961.58	\$ 3,684.89	2	2,585,047
<b>\$ 156,142.95</b>	<b>\$ (42,487.84)</b>	<b>\$ 33.95</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,140.60</b>	<b>\$ 122,829.66</b>	<b>\$ -</b>	<b>\$ 4,961.58</b>	<b>\$ 3,684.89</b>	<b>2</b>	<b>2,585,047</b>
\$ -	\$ (60.41)	\$ 714.35	\$ -	\$ -	\$ 52.58	\$ 706.52	\$ -	\$ -	\$ 21.20	1	3,675
\$ -	\$ (60.41)	\$ 714.35	\$ -	\$ -	\$ 52.58	\$ 706.52	\$ -	\$ -	\$ 21.20	1	3,675
<b>\$ 2,083,895.54</b>	<b>\$ (283,562.37)</b>	<b>\$ 57,911.54</b>	<b>\$ 118.25</b>	<b>\$ 8,871.04</b>	<b>\$ 147,668.29</b>	<b>\$ 2,014,902.29</b>	<b>\$ 14,820.46</b>	<b>\$ 18,330.29</b>	<b>\$ 44,613.55</b>	<b>15,371</b>	<b>17,619,492</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 62,943.84</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,092,666.59</b>				



MAY 2019

219 ANALYSIS

W/O								BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		23		728.99	(728.99)		
100	NEW LINE EXTENSIONS		27		59,730.99	59,730.99	2,212.26	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS							
602	SERVICE UPGRADES		2		4,010.44	4,010.44	2,005.22	1,920.25
603	SECTIONALIZERS		2		1,356.90	1,356.90		
604	REGULATORS							
606	POLES	**	21	POLES	112,702.04	112,702.04	5,366.76	2,410.75
608	CONDUCTOR CHANGE				0.00	0.00		
701	SECURITY LIGHTS		36		20,270.43	20,270.43	563.07	423.50
705	AMI EQUIPMENT		69		256,353.27	256,353.27		
1600	MINOR PROJECTS		4		5,722.59	5,722.59		
	TOTAL		185		<b>460,875.65</b>	<b>459,417.67</b>		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	TRANSFORMERS	368.00	28		27,336.12	27,336.12	976.29	1,120.00
	METERS	370.00	0		0.00	0.00	0.00	160.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	RF METERS	370.30	1940		366,574.24	366,574.24	188.96	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		1968		<b>393,910.36</b>	<b>393,910.36</b>		
	MATERIAL				<b>58,164.69</b>			
	MATERIAL OH				<b>39,335.24</b>			
	LABOR				<b>29,815.05</b>			
	LABOR OH				<b>56,970.77</b>			

\*\*There were 34 additional poles paid for by the KY Dept of Highways that are not included in these totals.









## PHYSICAL INVENTORY FOR PERIOD 5/1/18 TO 4/30/19

### PHYSICAL COUNT

AMOUNT OVER	\$	10,473.13
AMOUNT UNDER	\$	(8,937.01)
DIFFERENCE	\$	1,536.12

### TOTALS FOR INVENTORY

BEGINNING BALANCE	\$	258,652.76
PURCHASES	\$	1,801,655.76
SALES	\$	(5,590.50)
ADJUSTMENTS	\$	4,990.49
PHYSICAL COUNT ADJ'S	\$	1,536.12
CONSTRUCTION	\$	(663,361.77)
ENDING BALANCE	\$	1,397,882.86

\*\*\*\*Average material & supplies for the physical inventory year is \$959,600.35. The adjustment amount is .16% of the average material.

\*\*\*Our average inventory is larger than normal due to the purchase of the new metering equipment\*\*\*

