

Minutes
Meeting of Trustees of the Arab Electric Cooperative, Inc.
Monday, September 26, 2022, at 6:00 pm
Arab Electric Cooperative, Inc. Auditorium

1. Roll Call—Trustees Present: Janet Bright-District 1; Jordan Stewart¹-District 2, Dianne Prestridge-District 3, Bill Stricklend-District 4, Tyler Barnes-District 5; Jeff Warren-District 6; Nathan Clark²-District 7, Charles W Whisenant-District 8, and Ty Smith³-District 9. Also present were Stacey White-General Manager; Clint Maze-Board Attorney, Cooperative Employees, and other members of the public.
2. Invocation (Agenda Item #2)—Jeff Warren
3. Pledge of Allegiance (Agenda Item #3)—Bill Stricklend
4. Approval of the Amended Agenda (Agenda Item #4)—The President called for an amendment to the agenda to add the approval of the August 27, 2022 minutes of the meeting of the board of trustees and to remove the discussion item of cameras/GPS units for the Cooperative Fleet and to address the drainage issues around the material shed from the agenda. Bill Stricklend made a motion to amend the agenda as requested by the President, seconded by Dianne Prestridge. The motion passes with 8 ayes and 0 nays. Thereafter, Nathan Clark made a motion to approve the amended agenda, seconded by Jeff Warren. The motion passed with 8 ayes and 0 nays.
5. Approval of the Minutes (Agenda Items #5)—There was a motion to approve the minutes of the August 22, 2022, Meeting of the Trustees made by Jeff Warren, seconded by Jordan Stewart. Motion passed with 8 ayes and 0 nays.
6. Approval of the Minutes (Amended Agenda Item)— Approval of the Minutes—There was a motion to approve the minutes of the August 27, 2022, Organizational Meeting of the Trustees made by Dianne Prestridge, seconded by Janet Bright. Motion passed with 8 ayes and 0 nays.
7. Management Update (Agenda Item #6)— The General Manager presented the Three-Month Cash/Investment Accounts Balances Report, the Monthly Report to TVA, the Monthly Operational Budget Report and the Monthly Collection and Meter Department Report for September 2022. The reports were emailed out to the Board prior to the meeting and are made a part of the minutes.

The General Manager reported that 1,573 members signed up for Orbit One and 283 had signed up for e-statements. Further, the 300 AMI meters for which the Cooperative has been waiting are expected to be delivered by mid-October.

¹ Trustee Stewart, due to an unavoidable scheduling conflict, left the meeting at 6:18 pm, which was immediately prior to the presentation of the Audit.

² Trustee Clark, due to an unavoidable scheduling conflict, left the meeting at 6:20 pm, which was during the presentation of the Audit.

³ Trustee Smith participated via Zoom video Conference.

8. Personnel Committee⁴ Update (Agenda Item #7)—The Personnel Committee had no report.

9. Finance Committee⁵ Update (Agenda Item #8)—The Finance Committee met with Guy Caffey and Adam O’Shields of Raymond James to consider investments for a return on the Cooperative’s funds. The Finance Committee will meet next with CFC to consider its offerings. No action is being recommended at this time.

10. Right of Way Committee⁶ Update (Agenda Item #9)—The Right of Way Committee had no report.

11. Old Business (Agenda Item #11)—Mrs. White informed the Board that there is no load on the Arab District Substation, as the Cooperative has been able to change all load over to Brashiers Chapel Substation. The upgrades on Sundown Substation are in the planning stages with TVA and TVA will hold a virtual townhall meeting with the landowners from whom easements are necessary for the new lines. The current timeline for the completion of the upgrades is the end of 2025.

12. Action Item: Allocation of Capital Credits (Agenda Item # 13)—Each year, the Trustees have to approve the allocation of the margins for the previous fiscal year. For the 2022 year, the capital credits were \$2,794,126.28. Bill Stricklend as the Chairman of the Finance Committee made a motion to approve the allocation of the Capital Credits, seconded by Dianne Prestridge. The motion was approved with 8 yeas and 0 nays.

13. Action Item: Purchase of Real Property from Brazelton Properties, Inc. (Agenda Item #14)—The appraisal for the 1.49 acres for the Brazelton Properties, Inc. was received. The appraised price for the property was \$55,000. There was a motion to approve the purchase price and to ratify the purchase was made by Bill Stricklend, duly seconded by Nathan Clark. The motion was approved with 8 ayes and 0 nays.

14. Action Item: BCBS Rates (Agenda Item #15)—The Cooperative has been informed that the BCBS rates will be increased by 10%. Presently, the rate for individual coverage is \$521 and the new rate will be \$574. Family coverage rate is presently \$1,645 and the new rate \$1,810. The Cooperative presently pays 90%, with the employee paying 10% for single coverage and 80%/20% for family coverage. The Executive Committee recommends that the Cooperative continue to pay the same percentage of the new rate, with the employee continuing to pay either 10% or 20% Bill Stricklend made a motion to accept the recommendation of the Executive Committee, seconded by Tyler Barnes. The motion passed with 8 ayes and 0 nays.

⁴ The Personnel Committee is comprised of Tyler Barnes—Chairman, Janet Bright, Dianne Prestridge, and Jeff Warren. The General Manager—*Ex Officio*, Kellie Garrett, Wayne Mahathey and Mike King are employee representatives on the Personnel Committee.

⁵ The Finance Committee is comprised of Bill Stricklend—Chairman, Dianne Prestridge, Nathan Clark, and the General Manager—*Ex Officio*.

⁶ The Right of Way Committee is comprised of Nathan Clark—Chairman, Janet Bright, Tyler Barnes, Ty Smith, the General Manager—*Ex Officio*, and the Right of Way Supervisor, Brett Barnard—*Ex Officio*.

15. Declaration of Surplus Items: (Agenda Item # 14)—The General Manager recommended that a 1999 International 4700 Digger Derreck with 91,727 miles be declared as surplus and sold on GovDeals. Bill Stricklend made a motion to declare the vehicle surplus and sold on GovDeals, seconded by Dianne Prestridge. The motion passes with 8 ayes and 0 nays.

16. Review and Approve Annual Audit from Jackson Thornton (Agenda Item # 10)—Woody Trimble of Jackson Thornton presented the annual audit of the Arab Electric Cooperative, Inc. The audit report is attached. Mr. Trimble reported that the Audit was a “clean audit” with no significant misstatements. Bill Stricklend made a motion to approve the audit, seconded by Dianne Prestridge. Motion passed with 8 yeas and 0 nays.

17. Member comments (Agenda Item #18)—There was an opportunity given for member comments and Colon Walls and Mark Walls had comments and questions which it presented to the Cooperative.

18. There was an announcement made that the October meeting of the Board of Trustees would be held on October 24, 2022, at 6:00 pm at the Cooperative Headquarters Auditorium.

19. Adjourn—There was a motion by Dianne Prestridge, seconded by Jeff Warren, to adjourn. Motion passed with 6 ayes and 0 nays.