

Minutes
Meeting of Trustees of the Arab Electric Cooperative, Inc.
Monday, October 24, 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 Barnes²-District 5; Jeff Warren-District 6; Nathan Clark-District 7, Charles W Whisenant-District 8, and Ty Smith-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)—Clint Maze
3. Pledge of Allegiance (Agenda Item #3)—Bill Stricklend
4. Approval of the Agenda (Agenda Item #4)—Dianne Prestridge made a motion to approve the agenda as presented, seconded by Nathan Clark. The motion passed with 7 ayes and 0 nays.
5. Approval of the Minutes (Agenda Items #5)—There was a motion to approve the minutes of the September 26, 2022, Meeting of the Trustees made by Jordan Stewart, seconded by Jeff Warren. Motion passed with 7 ayes and 0 nays.
6. 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 significant increase in net income was the result of the City of Arab paying just over \$300,000 to the Cooperative for the work being undertaken to widen North Main Street and Twelfth Avenue NE.

The General Manager reported that the 300 AMI meters for which the Cooperative has been waiting have been delayed to an unspecified time in 2023. Further, the General Manager reported that the bucket truck that was involved in the automobile accident had been repaired and returned to service. The repairs cost approximately \$46,000. Additionally, the new bucket truck has been received. The digger derrick which was previously declared to be surplus has been placed on GovDeals and will be sold on November 8, 2022. Finally, the General Manager reported that all the Cooperative's work on widening North Main Street and Twelfth Avenue NE has been completed except to remove the old poles and lines, which will be done towards the end of the City's work on the project.

¹ Trustee Stewart participated via Zoom video Conference.

² Trustee Barnes arrived after the votes on the approval of the agenda and the minutes were taken.

7. Personnel Committee³ Update (Agenda Item #7)—The Personnel Committee had no report.

8. Finance Committee⁴ Update (Agenda Item #8)—The Finance Committee made recommendations on three items, to wit:

a. Cost of Living Adjustments—After studying the rates of pay for the Cooperative Employees, and considering recent adjustments for linemen, Bill Strickland made a motion to give an across-the-board COLA at 5% to all employees excluding the General Manager, based on the rates of pay at the beginning of the fiscal year, seconded by Jordan Stewart. Motion passed with 8 ayes and 0 nays.

b. Board of Trustee Compensation—The Finance Committee recommended, based upon the amount of work and the time commitment, that Board compensation be increased by \$250 per month, from \$500 per month to \$750, per month. This will require a budget amendment to increase the budget for this line item by \$27,000 annually. The motion was made to adopt the recommendation by Bill Strickland, duly seconded by Janet Bright. Motion passed with 8 ayes and 0 nays.

c. One-Time (Christmas) Pay Adjustment—Bill Strickland made a motion to make a one-time pay adjustment for Cooperative employees for Christmas, which was the same as in 2021, seconded by Jeff Warren. The range is from \$100-\$500 based on years of service. Motion carried with 8 ayes and 0 nays.

9. Right of Way Committee⁵ Update (Agenda Item #9)—The Right of Way Committee has begun work on the trimming of the Union Grove Substation and in the Pine Lake Subdivision and Nathan Clark made a motion, as the chairman of the Right of Way Committee to go out for bid, by the mile, for the trimming, seconded by Tyler Barnes. Motion passed with 8 ayes and 0 nays.

Additionally, based on 100 extra miles being trimmed as part of the work on the Georgia Mountain Substation, the chairman requested that the Right of Way Budget be amended to increase it by \$200,000. The Finance Committee reviewed the request and Bill Strickland, as the chairman of the Finance Committee, made a motion to increase the Right of Way Budget by the requested amount of \$200,000, seconded by Ty Smith. Motion passed with 8 ayes and 0 nays.

10. Old Business (Agenda Item #10)—Mrs. White informed the Board that there is still no load on the Arab District Substation, and the Brashiers Chapel Substation is carrying all the load for

³ 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.

⁴ The Finance Committee is comprised of Bill Strickland—Chairman, Dianne Prestridge, Nathan Clark, and the General Manager—*Ex Officio*.

⁵ 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*.

that area. TVA is continuing its work on the Sundown Substation upgrade. The order for two transformers has been placed and there is a two-year lead time for delivery.

11. Discussion Item: Cameras/GPS for AEC Fleet (Agenda Item # 11)—For the safety of Cooperative Employees, security of the Cooperative fleet and in order to receive significant insurance savings, it has been recommended that camera and GPS units be installed in the rolling stock of the Cooperative. The management team evaluated two different providers and the General Manager recommended that the Cooperative enter into a service agreement with Zubie. The monthly cost for the equipment and the connection services for 20 units is \$702 monthly, for 36 months. After discussion, Bill Stricklend made a motion to suspend the rules and make this an action item, seconded by Dianne Prestridge. Motion passed with 7 ayes and 1 nay. With the rules suspended, Bill Stricklend made a motion to enter into a service agreement with Zubie, as recommended by the General Manager, seconded by Nathan Clark. Motion passed with 7 ayes and 1 nay. The Personnel Committee will be drafting a policy governing the installation and use of the cameras and GPS units in the fleet.

12. Discussion Item: Cost of Living Adjustments (Agenda Item #12)—This item was taken up during the Finance Committee update.

13. Action Item: Drainage Issues Around Material Shed (Agenda Item #13)—This item was postponed due to the engineering study and recommendation not yet being complete.

14. Declaration of Surplus Items: (Agenda Item # 14)—The General Manager stated that there were no items to be declared as surplus.

15. 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 ayes and 0 nays.

16. Member comments (Agenda Item #15)—There was an opportunity given for member comments and none were received.

17. There was an announcement made that the October meeting of the Board of Trustees would be held on November 28, 2022, at 6:00 pm at the Cooperative Headquarters Auditorium.

18. Adjourn—There was a motion by Nathan Clark, seconded by Tyler Barnes, to adjourn. Motion passed with 8 ayes and 0 nays.