

Minutes
Meeting of Trustees of the Arab Electric Cooperative, Inc.
Monday, June 27, 2022, at 6:00 pm
Arab Electric Cooperative, Inc. Auditorium

1. Roll Call—Trustees Present: Janet Bright-District 1, Jordan Stewart-District 2, Dianne Prestridge-District 3, Bill Stricklend-District 4¹, Tyler Barnes-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)—Tyler Barnes
4. Approval of the Agenda (Agenda Item #4)—Janet Bright made a motion to approve the Agenda as presented, seconded by Dianne Prestridge. 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 May 23, 2022, Regular Meeting of the Trustees made by Jeff Warren, seconded by Ty Smith. Motion passed with 8 ayes and 0 nays.
6. Approval of the Minutes (Agenda Items #6)—There was a motion to approve the minutes of the June 7, 2022, Special Meeting of the Trustees made by Jordan Stewart, seconded by Tyler Barnes. Motion passed with 8 ayes and 0 nays.
7. Approval of the Minutes (Agenda Items #7)—There was a motion to approve the minutes of the June 9, 2022, Special Meeting of the Trustees made by Dianne Prestridge, seconded by Jeff Warren. Motion passed with 8 ayes and 0 nays.
8. 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 May 2022. The reports were previously emailed out to the Board prior to the meeting and are made a part of the minutes. The General Manager reported that the City of Arab, Alabama project is still being Spectrum and Otelco not relocating their lines to the new poles. Both companies have indicated that work orders have been placed for the relocation of the lines, but the timeline is not known at the time.

The material lot and the equipment shed is complete, except for the gate, and the Cooperative is installing security cameras. The gate and the installation of the security cameras are scheduled to be installed by July 18, 2022. Thereafter, the space will be placed in use. The digger derrick is scheduled to be completed on or before July 24, 2022 with the Cooperative taking delivery seven-ten days later.

¹ Bill Stricklend and Stacey White participated via telephone conference. Nathan Clark participated via Zoom

The General Manager reported that the Circulus power contract is signed and that the \$50,000 per month minimum plus the usage is set to start August 1, 2022. The Cooperative will need to look at a backup transformer for their site

9. Personnel Committee² Update (Agenda Item #9)—There was no report from the Personnel Committee.

10. Finance Committee³ Update (Agenda Item #10)—The Finance Committee Chairman presented an amendment to the FY2023 budget to provide for the increase in the salaries for the newly created ROW positing. Bill Stricklend made a motion to amend the budget, seconded by Jordan Steward. Motion passed with 8 ayes and 0 nays.

11. Right of Way Committee⁴ Update (Agenda Item #11)—A single bid for the Georgia Mountain Substation has been received by Corbitt. The bid is for \$3,741.81 per mile, which is an increase of \$169.89 per mile. The increase is the result of Georgia Mountain Breaker has more yards, which require more care for the crews, more bucket work, and the increase in fuel prices. The total for the contract is \$392,898.65. The goal is to work each substation completely every three years.

12. Old Business (Agenda Item #12)—Mrs. White informed the Board that five out of six of the exit feeders for the Brashier's Chapel Substation are complete and the sixth will be completed within the week. under construction and that progress is being made, however the progress is slower than is desired. The Board requested that the General Manager meet with Corbitt and discuss establishing a deadline for the completion.

TVA has begun work on the 161kV route to the Sundown Substation. This process will be identical to the process used for the Brashier's Chapel substation. The General Manager met with Dewy Brazelton for the expansion of the Sundown Substation. Mr. Brazelton requested an appraisal for setting the sales price and the appraisal should be complete in two weeks.

TVA anticipates that the Sundown Substation will be finished in November 2025. The transformers needed are long lead times and, if ordered now, will not be available until the spring of 2025. The estimated cost for the total substation is \$9.5 million. After lengthy discussion, the decision was made to go out for bid for one or more transformers. Bill Stricklend made a motion to suspend the rules and make this an action item, seconded by Nathan Clark. The motion carried with 8 ayes and 0 nays. Thereafter, Bill Stricklend made a motion to go out for bid for one or more transformers, seconded by Dianne Prestridge. The motion passed with 8 ayes and 0 nays.

² 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.

³ The Finance Committee is comprised of Bill Stricklend—Chairman, Dianne Prestridge, Nathan Clark and the General Manager—*Ex Officio*.

⁴ 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*.

13. Action Item: Annual Meeting Prizes (Agenda Item # 13)—The General Manager advised the Board of the prizes given in the 2021-2022 Annual meeting, to wit: \$250, \$250, and \$500 with the members not having to be present to win. After further discussion, Ty Smith made a motion for give the same prizes and under the same terms for the 2022-2023 Annual Meeting, seconded by Jordan Stewart. The motion passed with 8 ayes and 0 nays.
14. Discussion Item: Retirement Security (RS) Plan and 401(k) Pension Plan (Agenda Item # 14)—The General Manager informed the board that it is a requirement that the Board re-approve the Cooperative’s Retirement Security (RS) Plan and 401(k) Pension Plan. No changes are being recommended. This item will be on the July Agenda for approval.
15. Declaration of Surplus Items: (Agenda Item # 13)—There were no items to be declared surplus.
16. Member comments (Agenda Item #18)—There was an opportunity given for member comments and none were received.
17. There was an announcement made that the July 2022 meeting of the Board of Trustees would be held on July 25, 2022, at 6:00 pm at the Cooperative Headquarters Auditorium.
18. Adjourn—There was a motion by Jeff Warren, seconded by Tyler Barnes, to adjourn. Motion passed with 8 ayes and 0 nays.