

Minutes
Meeting of Trustees of the Arab Electric Cooperative, Inc.
Monday, June 22, 2026, at 6:00 pm
Arab Electric Cooperative, Inc. Auditorium

1. Roll Call—Trustees Present: Janet Bright-District 1, Dewayne Shedd-District 2, Dianne Prestridge-District 3; Bill Stricklend-District 4; 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, Seth Selby-Assistant Manager, 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 Agenda (Agenda Item #4)—The Board President called for a motion to approve the agenda as presented. Bill Stricklend made the motion to approve the agenda, duly seconded by Jeff Warren. The motion was approved with 9 ayes and 0 nays.
5. Approval of April 27, 2026, minutes as emailed (Agenda Item # 5): Upon review of March 23, 2026, minutes, Ty Smith made a motion to approve, seconded by Dewayne Shedd. The motion passed 9 ayes and 0 nays.
6. Management Update (Agenda Item #6)—The General Manager began her update by reminding the board of the upcoming AREA Annual Conference. Thereafter, the General Manager presented the monthly Cooperative operating budget report for April and May 2026. For April 2026, the gross revenues were \$3,398,982.42, and expenses were \$3,279,741.81, for a net monthly profit of \$119,240.61. For May 2026, the gross revenues were \$3,102,260.97, and expenses were \$2,989,497.10, for a net monthly profit of \$112,763.87. When presenting the monthly budget, the General Manager noted contractors were paid \$72,949.52 for 64 pole change outs, and an invoice for the Georgia Mountain Addition at the 70% completion mark in the amount of \$80,500.00, \$7,770.00 was paid to Fisher Arnold for the Spill Prevention and Control Plan, which was required by the Cooperative's insurer, and two circuit switchers were delivered to the Sundown Substation for a total of \$152,774.44. The General Manager also presented the Monthly Collection and Meter Department Report, the Three-Month Cash/Investment Balances Report, and the Monthly Report to TVA, all for April and May 2026. The reports are made a part of the minutes.

The April 2026 TVA invoice was for \$2,304,388.16, and the early payment credit, based on a 3.70% interest rate, resulted in a monthly TVA credit of \$6,979.60. The May 2026 TVA invoice was \$2,391,838.15, and the early payment credit, based on 3.68% interest rate, resulted in a TVA credit of \$6,276.36. The TVA Monthly Report net income calculated using the operating income, less operating expenses, was \$205,017.78 for April 2026, and an operating loss of \$185,976.10 for May 2026. The year to date reflects a total net operating income of \$1,325,642.22.

There were 136 disconnects for April, and of those 117 were reconnected. There were 144 disconnects for May, and of those 122 were reconnected. There were no diversions reported for April and May 2026. The Cooperative received \$5,141.78, collected in both active and previously written off accounts, and there was \$2,947.41 submitted to the collection agency in past due balances, for April 2026. The Cooperative received \$7,600.90, collected in both active and

previously written off accounts, and there was \$2,448.31 submitted to the collection agency in past due balances, for May 2026. There are now 181 accounts that are enrolled for prepayment.

Additionally, the General Manager reported to the Board:

- The required oil spill prevention and control plan required by Federated Insurance was completed by Fisher Arnold for a total cost of \$7,700. There were two quotes received and the other was \$50,000.
- Federated Insurance is also requiring a Wildfire Mitigation Plan, which is in the works, and an Emergency Shutoff for the fuel pump.
- The Cooperative will be drafting and adopting a Pad Mount Inspection Program which will be implemented in the upcoming months.
- There is a vacancy in the ROW department, which was created when a ROW crew member was made a lineman. Interviews will be conducted and there are multiple individuals who have expressed interest in the position.
- The Cooperative has started a meter testing program, which started with the highest usage meters. The inspection did reveal several issues which are being addressed, and the management is scheduling a second round of inspections to ensure that the meters are accurately measuring the usage.
- There are transformers serving the Arab High School and Arab Primary School which are being replaced during the summer break, and which will require a power outage for those schools. The General Manager has coordinated with Assistant Superintendent of Facilities, Mr. Patrick Crowder, regarding those scheduled outages.
- It was announced in an Arab City Council meeting that Farmers Telecom is “partnering” with the Cooperative, which was a misstatement. Farmers Telecom has entered into a “pole attachment agreement” with the Cooperative, and they will be attaching fiber to some of the Cooperative Poles.
- TVA is resuming heat pump loans, and the program is revised for TVA to oversee all of the administrative side of the loans, with the Cooperative serving only as a fiscal agent for the collection of the loan payments on the Member’s monthly bill.
- The second annual WATTS UP Camp was held in June, and it was a success. Eighteen 5th grade students participated, which was up from 10 students participating last year. The General Manager thanked those Cooperative employees who were responsible for the success of the camp.
- The Pay-Go payment system being implemented by CSA has not yet rolled out but is expected to be up soon.
- Work on the new “laydown yard” is expected to begin, weather permitting, the last week of June or the first of July.

- The Auditorium is now complete, with a final walk through with the contractor scheduled for June 23, 2026, at 8:00. The total cost was \$285,000. The community has already responded with requests to hold events in the renovated space.
- Finally, the General Manager made an announcement that the Cooperative Annual Meeting of Membership would be on Saturday, August 22, 2026, at the AEC Headquarters Auditorium.

7. Sundown Substation Update (Agenda Item #7)—Phase I is now complete, and Phase II is underway. Phase II will be disassembling the old Sundown Substation structure for use in the Brindlee Mountain Substation upgrade.

8. Arab Primary Substation Update (Agenda Item #8)—Due to the upgrades, the Cooperative's power grid is in great shape. The Arab Primary and the Brindlee Mountain Substation upgrades should be completed this year.

9. Committee Updates (Agenda Item #9)—

Personnel Committee Update—The committee chair advised that there was nothing to report.

Finance Committee Update—The chairman of the Finance Committee advised the 2026-2027 budget is being finalized and will be ready to be presented to the full board in the July meeting.

Right of Way Committee Update— The contractor awarded the bid for the Sundown Circuit will be finished by the End of June, which will complete the first 4-year trimming cycle. The Georgia Mountain Circuit bids have been received, and when it was bid 4 years ago, the cost was just over \$600,000. The bid just awarded for 2026 was only \$415,000, and the savings were a combination of the bidding process, the close supervision by the Cooperative employees, and the 4-year cycle. The General Manager and the Assistant General Manager both expresses satisfaction with the 4-year cycle and the condition of the circuits, due to the cycle. The next circuit scheduled to be bid is the Union Grove Circuit, which will be bid in November 2026.

10. Old Business—The General Manager stated that there was no Old Business (Agenda Item #10)—

11. Discussion Item: Auditorium Rental Agreement and Rental Fees (Agenda Item #11)—The General Manager advised the Board that the Auditorium Rental Agreement is outdated, and in need of revision, including rental fees. Huntsville Hospital has reserved the Auditorium for a job fair in July, but she will be discussing the revisions to the rental agreement with the board attorney, and revisions to the rental agreement will be presented to the Board for its consideration.

12. Declaration of Surplus Items: (Agenda Item # 12)—The General Manager advised the Board that the Cooperative had a Vermeer Gas Powered Woodchipper, which was no longer necessary, and requested that it be declared surplus by the Board and listed for sale on Govdeals.com. Tyler Barnes moved that the Vermeer Woodchipper be declared surplus and sold, duly seconded by Dianne Prestridge. The motion passed unanimously

13. Member comments: (Agenda Item # 14)—The Board President gave an opportunity to member comments, and none were received.

14. There was an announcement that the next regularly scheduled Board of Trustees meeting is Monday, July 27, 2026, at 6:00 pm at the AEC Headquarters Auditorium.

15. Adjourn—There was a motion by Jeff Warren, seconded by Nathan Clark, to adjourn. The motion passed 9 ayes and 0 nays.