

Minutes
Meeting of Trustees of the Arab Electric Cooperative, Inc.
Monday, July 27, 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)— Clint Maze
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. Janet Bright made the motion to approve the agenda, duly seconded by Dewayne Shedd. The motion was approved with 8 ayes and 0 nays.
5. Approval of June 22, 2026, minutes as emailed (Agenda Item # 5): Upon review of June 22, 2026, minutes, Dianne Prestridge made a motion to approve, seconded by Bill Stricklend. The motion passed 8 ayes and 0 nays.
6. Management Update (Agenda Item #6)—The General Manager began her update by presenting the monthly Cooperative operating budget report for June 2026. For June 2026, the gross revenues were \$3,871,904.54, and expenses were \$3,820,629.86, for a net monthly profit of \$51,274.68. When presenting the monthly budget, the General Manager noted that the fiscal year 2026 does not reflect the year end entries for July 2026. 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 June 2026. The reports are made a part of the minutes.

The June 2026 TVA invoice was for \$3,011,694.05, and the early payment credit, based on a 3.64% interest rate, resulted in a monthly TVA credit of \$7,398.22. The TVA Monthly Report net income calculated using the operating income, less operating expenses, was \$446,502.00 for June 2026. The year to date reflects a total net operating income of \$1,772,052.22.

There were 109 disconnects for June, and of those 84 were reconnected. There were no diversions reported for June 2026. The Cooperative received \$7,301.77, collected in both active and previously written off accounts, and there was \$7,551.97 submitted to the collection agency in past due balances, for June 2026. There are now 176 accounts that are enrolled for prepayment.

Additionally, the General Manager reported to the Board:

- The General Manager thanked the Board Members who were able to attend the AREA summer conference.
- The General Manager extended congratulations Board Member Dianne Prestridge for receiving her credentialed cooperative director's certification.

- The General Manager informed the Board that Allen Hyde, who was an employee of Corbett's Power, was hired to the right of way crew to fill the vacancy.
- The General Manager updated the Board on the Lay Down Yard, which should be completely finished within the next two weeks.
- The General Manager updated the Board on bidding out of the needed reconducting for several areas, including Hilltop Road.
- 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)—Crews are continuing to disassemble the old Sundown Substation structure and move it to the Brindlee Mountain Substation. TVA has a scoping meeting scheduled for August, which is a regulatory requirement.

Arab Primary Substation Update—The Arab Primary Substation is on schedule. In the process of digging to install the regulators, the contractors hit rock, which has slowed the installation, but should not affect the overall schedule.

8. 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 presented the 2026-2027 budget. Following the presentation, Bill Stricklend made a motion to approve the budget, as presented. The Motion was seconded by Jeff Warren. The budget was approved by a vote of 8 ayes and 0 nays.

Right of Way Committee Update—The committee chair advised that there was nothing to report.

9. Old Business—The General Manager stated that there was no Old Business (Agenda Item #9)—

10. Discussion Item: Auditorium Rental Agreement and Rental Fees (Agenda Item #11)—The General Manager presented the proposed Auditorium Rental Agreement and requested that the Board Attorney review and give his feedback. This will be an action item in a future meeting.

11. Declaration of Surplus Items: (Agenda Item # 12)—The General Manager advised the Board that the Cooperative had a 2008 Chevrolet 1500 Silverado, with approximately 245,000 miles, which is no longer needed and recommended that that it be declared surplus. Dianne Prestridge made a motion to declare the 2008 Chevrolet 1500 Silverado to be surplus and to give the truck away as a door prize for the Annual Meeting. The motion was seconded by Nathan Clark. The budget was approved by a vote of 8 ayes and 0 nays.

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

13. There was an announcement that the next regularly scheduled Board of Trustees meeting is Monday, August 24, 2026, at 6:00 pm at the AEC Headquarters Auditorium.

14. Adjourn—There was a motion by Jeff Warren, seconded by Tyler Barnes, to adjourn. The motion passed 8 ayes and 0 nays.