

Minutes
Meeting of Trustees of the Arab Electric Cooperative, Inc.
Monday, August 24, 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; Jeff Warren-District 6; Nathan Clark-District 7; Charles W. Whisenant-District 8; and Ty Smith-District 9. Trustee Tyler Barnes-District 5 was absent. 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 Ty Smith. The motion was approved with 7 ayes and 0 nays.
5. Approval of July 27, 2026, minutes as emailed (Agenda Item # 5): Upon review of July 27, 2026, minutes, Dewayne Shedd made a motion to approve, seconded by Janet Bright. The motion passed 7 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 July 2026. The General Manager noted that the actual payroll exceeded the budgeted payroll due to there being three pay periods in July. For July 2026, the gross revenues were \$4,426,052.04, and expenses were \$4,392,204.83, for a net monthly profit of \$33,847.21. When presenting the monthly budget, the General Manager noted that the “contractor-electrical work” was for the reconducting of the new Little Creek Subdivision, and that the work was performed by PowePros Powerline Solutions. The General Manager also provided a breakdown of the \$173,021.37 in expenses for the Sundown Substation, being \$130,000 for the exit feeders to PowerPros, \$12,000 for the remaining circuit switchers to Siemens Energy, \$23,000 for commissioning testing to Southern Power Solutions, and \$6,000 for engineering services to Fisher Arnold. 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 \$3,005,080.62, and the early payment credit, based on a 3.66% interest rate, resulted in a monthly TVA credit of \$7,855.09. The TVA Monthly Report net income calculated using the operating income, less operating expenses, was \$42,882.68 for July 2026.

There were 139 disconnects for June, and of those 114 were reconnected. There was one diversion reported, which is still being investigated, for July 2026. The Cooperative received \$6,127.47, collected in both active and previously written off accounts, and there was \$7,829.82 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 gave a report on the Annual Meeting, which was held in the newly renovated Cooperative Auditorium, for the first time in decades. The only suggested change for the Annual Meeting was that additional television screens be placed in the back of the Auditorium so that those seated at the front of the Auditorium could see the screens without having to look back.
- The General Manager reported that the woodchipper, which was declared as surplus in the July 2026 meeting, sold on GovDeals for \$3,800, which was a pleasant surprise.

7. Sundown, Arab Primary, and Brindlee Mountain Substations Update (Agenda Item #7)—The General Manager reported that work on the substations continues on pace, and there is nothing more to report other than what was covered in the presentation of the budgeted expenses.

8. Committee Updates (Agenda Item #9)—

Personnel Committee Update—The committee is waiting on any suggested revisions to the drug and alcohol testing policy from the Board Attorney. Once the committee receives the recommendations of the Board Attorney, there will be a recommendation from the Personnel Board. The chair advised that there was nothing to report.

Finance Committee Update—The chairman advised that there was nothing to report.

Right of Way Committee Update— The committee chair was absent, but the General Manager advised that the contractor who was awarded the bid to trim the Sundown Circuit had exceeded the contractual deadline, but that the work was mostly completed. The General Manager reported that there would be more information presented as to the ROW contractor next meeting.

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

10. Discussion Item: Wildfire Mitigation Plan (Agenda Item #10)—The General Manager presented the proposed Wildfire Mitigation Plan, which was a compilation of other plans adopted by neighboring cooperatives. The Cooperative is required to adopt a plan by the Cooperative's insurance company, or the absence of an adopted plan will be factored into insurance rate increases. This will be an action item in a future meeting.

11. Action Item: Auditorium Rental Agreement (Agenda Item # 11)—The Auditorium Agreement which was presented to the Board in the July meeting was discussed and was acceptable to the Board. In discussing the rental of the auditorium, the Board expressed a desire that Cooperative Employees be permitted to use the auditorium, at the discretion of the General Manager, and only be responsible for any cleaning charges resulting from their use. The Board expressed concerns about opening up the auditorium to general rentals from individual members, stating that reservations that the substantial investment in the renovations could not be adequately protected with wider availability. After the discussions, Bill Strickland made a motion to approve the rental agreement, and to grant the General Manager the discretion to allow the auditorium to be selectively rented to businesses, community organizations, and employees, at a rate to be determined by the General Manager which is sufficient to cover the organization's/employee's use of the

auditorium. The motion was seconded by Dianne Prestridge. The motion was approved with 7 ayes and 0 nays.

12. Declaration of Surplus Items: (Agenda Item # 12)—The General Manager advised the Board that there items to be declared surplus.

13. Member comments: (Agenda Item # 13)—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, September 28, 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 7 ayes and 0 nays.