

Minutes
Regular Meeting Of Trustees Arab Electric Cooperative, Inc.
Monday, August 26, 2019 at 6 o'clock pm
Arab Electric Cooperative, Inc. Auditorium

1. Roll Call—Trustees Present: Janet Bright-District 1, Chris Hemphill-District 2, Dianne Prestridge-District 3, Bill Stricklend- District 4, Tyler Barnes-District 5, Charlie Griffin-District 6, Nathan Clark-District 7 (attending by telephone for the election of officers), Charles W Whisenant-District 8, and Ty Smith-District 9. Also present were Stacey White and Dianna Wamsley from the interim management team, Cooperative supervisors and employees, Clint Maze-Board Attorney, and members of the public.
2. Invocation—Clint Maze
3. Pledge of Allegiance—Bill Stricklend
4. Approval of the July 22, 2019 Regular Meeting of the Board of Trustees—The Board Attorney advised that the Minutes of the July 22, 2019 meeting were not ready to be approved and asked that the approval of the minutes be passed until the September meeting. Motion to table the approval of the minutes of the July 22, 2019 minutes was made by Charles W. Whisenant, seconded by Charlie Griffin. Motion passed with 8 yeas and 0 nays.
5. Election of Officers—The Board Attorney conducted the election of officers for the following year, as required by the Bylaws. Mr. Maze explained that the officers would have to be elected by a majority of the Board and that the Board Members would have to vote by roll call vote if there were multiple nominations for the same office.
 - a. President—The Board Attorney opened the floor for nominations for the office of Board President. Charlie Griffin nominated Charles W. Whisenant for President. The nomination was seconded by Ty Smith. There were no other nominations and there was motion by Bill Stricklend, seconded by Charlie Griffin, to close nominations. Motion passed with 8 yeas and 0 nays. A voice vote was then called for Charles W. Whisenant as President of the Board of Trustees. Mr. Whisenant was elected as President unanimously.
 - b. Vice President—The Board Attorney opened the floor for nominations for the office of Board Vice President. Bill Stricklend nominated Charlie Griffin for Vice President. There were no other nominations and there was motion by Bill Stricklend, seconded by Tyler Barnes, to close nominations. Motion passed with 8 yeas and 0 nays. A voice vote was then called for Charlie Griffin as Vice President of the Board of Trustees. Mr. Griffin was elected as Vice President unanimously.
 - c. Secretary—The Board Attorney opened the floor for nominations for the office of Board Secretary. Charles Whisenant nominated Dianne Prestridge for Secretary. There were no other nominations and there was motion by Bill Stricklend, seconded by Charlie Griffin, to close nominations. Motion passed with 8 yeas and 0 nays. A voice vote

was then called for Dianne Prestridge as Secretary of the Board of Trustees. Mrs. Prestridge was elected as Secretary unanimously.

d. Treasurer—The Board Attorney opened the floor for nominations for the office of Board Treasurer. Tyler Barnes nominated Bill Stricklend for Treasurer. There were no other nominations and there was motion by Bill Stricklend, seconded by Nathan Clark, to close nominations. Motion passed with 8 yeas and 0 nays. A voice vote was then called for Bill Stricklend as Treasurer of the Board of Trustees. Mr. Stricklend was elected as Treasurer unanimously.

Following the election of officers, the Board Attorney turned the meeting over to the President Charles Whisenant to conduct the remainder of the meeting.

6. Board Discussion Item—The NRECA consultant, Roy Palk, joined the meeting by telephone conference. Mr. Palk introduced himself to the full Board and briefly went over the discussion that he had with the Executive Committee on August 23, 2019. Mr. Palk outlined the search process and his tentative schedule was discussed. Mr. Palk advised the Board that he was available to meet with the full board, inside executive session, in a Special Meeting of the Board of Trustees, on September 19, 2019. Mr. Palk informed that the Board that the board questionnaire would be sent out by Ms. Beth Wray this week and asked that the Board return the completed questionnaire by September 10, 2019 so that the information could be compiled by the September 19, 2019 meeting.

7. Board Action Item— TVA has sent a Long-Term Agreement proposing modifications to AECI's Power Contract with TVA, which was effective October 7, 1987. The proposal is for a 20 year agreement and provides for a 3.1% monthly credit to AECI upon execution. The Board was just provided the contract on August 26, 2019 and desired additional time to review. Mrs. Stacey White confirmed with TVA that it was acceptable with TVA for the board to approve the Long Term Agreement in the September 2019 meeting. TVA did indicate that the credit would not begin until the contract was approved by the Board and the contract executed and returned. There was a motion made by Bill Stricklend, seconded by Charlie Griffin, to table the approval of the Long Term Agreement with TVA to give the Board more time to review the same. Motion passed with 8 yeas and 0 nays. The Board Attorney will provide to the Board a copy of the 1987 Power Contract and his analysis as to the proposed changes prior to the September Regular Meeting of the Board.

8. Board Discussion Item—Interim Manager Stacey White gave the Board a brief update on the Arab City Street Lighting Project. Mrs. White informed the Board that the test lighting required some adjustments and then the City would have to take the Lighting Project up in a Council Meeting to decide whether to pursue the project and make its selection as to the type light to be used. Mrs. White went on to inform the Board that the project would have to be completed by December 31, 2019 to receive a incentive discount from TVA, which would be approximately \$7,000. Mr. Jerry Willis informed the Board that the lights could be installed in about a work week after they are received from the vendor. Mrs. White and Mr. Willis informed the membership present that, if the City elects to pursue the lighting project, it will be paid for by the AECI and added to the City's Investment Charge. The investment charge is essentially an AECI loan to the

City for lighting projects for which the City pays monthly interest only in perpetuity. There was no action to consider based upon this update.

9. Board Discussion Item—Interim Manager Stacey White provided the Board a brief update on the Sweet Home Substation Project. Mrs. White informed the TVA had notified the AECI that a public hearing had been scheduled by TVA on the proposed route for TVA lines supplying the Sweet Home Substation. The public hearing will be held at The Old Green House on September 12, 2019 from 3:00 pm until 7:00 pm. TVA will be notifying directly, by mail, the property owners who will potentially be affected by the proposed route. Ms. White stated that this project is now entirely in TVA's hands and that there is nothing more for AECI to do or to consider until the TVA has determined the route it will take and has acquired the right of way to the substation. There was no action to consider based upon this update.

10. Board Discussion Item—Interim Manager Stacey White recommended to the Board all work on AMI technology be suspended until there is a new general manager named by the Board. The Board agreed that it was best to have a permanent general manager in place before any further steps are taken relative to AMI technology. There was no action to consider based upon this recommendation.

11. Board Member Agenda Request—Bill Stricklend requested that the Employee Handbook be placed on the agenda for discussion for the next regularly scheduled Board of Trustees Meeting. A brief discussion was had regarding the Employee Handbook. The Board Attorney will provide all of the Board a full copy of the Employee Handbook, either electronically or, based on trustee preference, a hard copy. The Board asked the employees present to review the handbook and provide the Board with feedback before the September 23, 2019 meeting. The Board also asked that Mrs. White notify the employees not present of the of the request for feedback from the Board.

12. Member Comments—Of the Members present, comments and questions were given by Mr. Colin Walls, Mr. Mark Walls, Mr. Marshall Beam, Mr. Jackie Chamness, Mr. Jason Golden, Mr. Charlie Shumate and Mrs. Abbie Walls. Several employees also used this opportunity to thank the Board for the employee luncheon that the Board members sponsored and to share other positive remarks about the current state of the Cooperative.

13. There was an announcement made that a Special Meeting of the Board of Trustees would be held at the Arab Electric Cooperative Boardroom at 8 o'clock am on September 19, 2019. The membership was informed that the meeting would be conducted inside executive session. It was also announced that the next regular Board Meeting would be September 23, 2019 at 6 o'clock pm in the AECI Auditorium.

14. Adjourn—There was a motion by Bill Stricklend, seconded by Charlie Griffin, to adjourn. Motion passed with 8 yeas and 0 nays.