

MINUTES OF MEETING OF MAY 30, 2023

The regular meeting of the Board of Directors of Southwest Tennessee Electric Membership Corporation was held at the office of the Cooperative in Brownsville, Tennessee, on Tuesday, May 30, 2023, at 8:00 A.M.

All the Directors were present except Brad Franks. Also present were Kevin Murphy, Shawn Lillie, Scott Sims, and Anna Jackson.

Robert Kendrick, Chairman, presided over the meeting.

Anna Jackson kept the minutes of the meeting.

Greg Jones led the room in prayer via audio recording and Kevin Murphy led the Pledge of Allegiance.

The meeting began with a motion by Robert Kendrick, seconded by Audrey Blue, to adopt the agenda.

Scott Sims began with a discussion about a rate adjustment that will go in effect in October 2023. General inflation, material costs, labor, and operating & maintenance costs continue to increase which will in return cause STEMC to increase rates slightly. The biggest change will be that the customer charges will increase. Upon motion by Teri Robinson, seconded by Allan Ferguson, the rate adjustment was approved and STEMC will submit a Local Rate Adjustment (LRA) to TVA.

There were necessary updates made to the following 5 policies: 2-7 Meter Locations, 30-2 Communication and Information Technology Equipment Use, 50-2 Notice, Pay, and Priority in the event of Layoff or Reduction in Force, 50-4 Fitness for Duty, and 51-9 Tuition Reimbursement for Training and Development. Each of these were discussed by the Board and upon motion by Marilyn Means, seconded by David McDaniel, the policy changes were approved.

The Board next discussed the Consent Agenda and upon motion of Tim Hanks, seconded by David McDaniel, the April minutes were approved, the June write-offs in the amount of \$3,822.00 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a positive margin of \$642,394,85.

Lastly, the current events were discussed. Aeneas' 10,000 customer celebration had a good turnout; 2 substation transformers for Ford will be delivered in June while the other 2 are scheduled to come by February 2024; concrete work has begun for the Henning substation; both storms in March are declared to be FEMA events with 90% reimbursement; all five districts are working to change out 200 poles that need replacing; SMC dispersed \$84,000 to 19 groups; and STEMC met with Dunavant Group about developing 1,300-acre site close to Gallaway to support the Blue Oval site.

There being no further business to come before the Board, the meeting was duly and regularly adjourned.

Secretary-Treasurer

APPROVED:

Chairman