

MINUTES OF MEETING OF DECEMBER 27, 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 Wednesday, December 27, 2023, at 9:00 A.M.

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

Robert Kendrick, Chairman, presided over the meeting.

Anna Jackson kept the minutes of the meeting.

Billy Gordon led the room in prayer 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.

Billy Gordon and Stephen Thorpe, along with the fiber department, provided the Board with breakfast to celebrate the end of STEMC's fiber project. Gordon and Thorpe gave a year end update about Aeneas. There are 3,572 miles of mainline cable on STEMC's system and 4,880 miles of fiber including drops. Over 17,180 customers were added in the past four years. Construction for Bolivar Electric is complete, and Chickasaw's is going strong.

Scott Sims proposed a change to the mileage rate for 2024. Per policy 54-3, our mileage rate is 90% of IRS allowance. 90% of the 67 cent IRS rate is 60 cents. Upon motion by Marilyn Means, seconded by David Kinney, STEMC's mileage rate will change from 59 cents to 60 cents effective January 1, 2024.

Sims also discussed with the Board our current cash position and capital expenses. He explained the storms in March put us in a crunch. Going forward, in order to replenish operating funds, we have several items in place such as: fiber grant funds, October 2023 rate increase, Blue Oval O&M and Capital Recovery fees, monthly Aeneas fees, and FEMA

reimbursements. Sims also explained to the Board what capital expenditures we have coming up in the future. Capital expenditures coming up soon include Ford Blue Oval Supplier Substation, the end of the fiber project, Henning substation rebuild, and a bucket truck and digger derrick truck. Our long-term cash flow is looking to be in good position.

The Board next discussed the Consent Agenda and upon motion of Jackie Butler, seconded by Tim Hanks, the November minutes were approved, the January write-offs in the amount of \$3,600.08 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a positive margin of \$510,043.64.

Lastly, the current events were discussed. Dark Trace and Crowd Strike are fully installed on our system, pole inspection contractors will be offsite until April, and 3 reconductoring projects should be done by February. Engineers are working on Blue Oval City, Henning substation, and the EV charger in Atoka.

There being no further business to come before the Board, and upon motion by David McDaniel, seconded by Marilyn Means, the meeting was duly and regularly adjourned.

Secretary-Treasurer

APPROVED:

Chairman