

MINUTES OF MEETING OF JULY 26, 2022

The regular meeting of the Board of Directors of Southwest Tennessee Electric Membership Corporation was held in the office of the Cooperative in Brownsville, Tennessee, on Tuesday, July 26, 2022, at 8:00 A.M.

All the Directors were present. Also present were Kevin Murphy, Scott Sims, Bubba Pennell, David Callis, 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.

Bubba Pennell began the meeting with discussing health insurance options coming up for year 2023. Upon motion by Tim Hanks, seconded by Allen King, the Board agreed to a 5.95% increase in premium with no changes in the benefits.

Fiscal year 2022 came to an end in June. Scott Sims discussed the financials for the year with the board. He asked the Board to approve a \$10M loan from CoBank with a 3.88% interest rate to aid in building a substation for Ford. Upon motion by Allan Ferguson, seconded by David Kinney, the board approved the CoBank loan. Sims also asked the Board to approve a resolution to create a credit facility with CFC in the event that CFC rates are less than CoBank. Upon approval of Teri Robinson, seconded by Allen King, the Board approved the following resolution:

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation ("CFC"), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$20,000,000.00, as set forth in the loan agreement with CFC governing such loan, in such form as the individuals authorized herein may negotiate with CFC (the "Loan Agreement");

RESOLVED, that the proceeds of this loan be used for the purpose set forth in the Loan Agreement;

RESOLVED, that the individuals listed below are hereby authorized to execute and deliver

to CFC the following documents (including as many counterparts as may be required):

- (a) the Loan Agreement;
- (b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$20,000,000.00, in such form as the individuals authorized herein may negotiate with CFC; and
- (c) a mortgage and security agreement with CFC and CoBank, ACB, as mortgagees, for purposes of securing the loan provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Loan Agreement as such individual may deem appropriate within the amount of the promissory notes so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

Board Chairman	Robert Kendrick
Board Secretary	Audrey Blue
President	Kevin Murphy
Vice President	Scott Sims

Kevin Murphy discussed the change to Policy 51-1 regarding holidays with the Board. If an employee on an alternate work schedule was scheduled to be off the day the company chooses to observe the holiday for time off purposes, the alternate work schedule day off shall move and not the day observed by the company for time off. Upon motion by David McDaniel, seconded by Tim Hanks, the Board approved the resolution change.

Mr. David Callis spoke to the board about the 2023 Washington Youth Tour. He gave useful information about the event and answered several health/safety questions from the Board. Upon motion by Teri Robinson, seconded by Allen King, and by a 5:4 vote, the Board decided to participate in the 2023 Washington Youth Tour.

Billy Gordon gave a mid-year update on Aeneas. He informed the Board about the progress of construction, the completion of grants as well as upcoming grants, and other miscellaneous projects Aeneas has in progress. Gordon asked the Board to approve a

potential \$20M loan application to complete construction. Upon motion by Teri Robinson, seconded by Allen King, the Board approved the loan application.

The Board decided to reschedule the October board meeting to Thursday, October 20, 2022. Upon motion by David Kinney, seconded by David McDaniel, the Board approved to reschedule the meeting.

Allen King announced he will be resigning his position after the August board meeting. Mr. King has been on the STEMC board for 50 years and has played a huge role for this company during his time.

The Board next discussed the Consent Agenda and upon motion of Allen King, seconded by Audrey Blue, the June minutes were approved, the August write-offs in the amount of \$6,024.38 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a positive margin of \$1,209,451.72.

President Murphy discussed the current events: STEMC received 3 grants from the state for broadband; a power outage in Tipton County on 7/11 lost service to three substations; the all employee meeting is scheduled for 10/10; STEMC annual meeting will be on August 12th; and Southwest Members Care will issue \$50-70K for applicants.

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

Secretary-Treasurer

APPROVED:

Chairman