

## MINUTES OF MEETING OF AUGUST 27, 2021

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 Friday, August 27, 2021, at 8:00 A.M.

All the Directors were present. Also present were Kevin Murphy, Scott Sims, Billy Gordon, Clint Malone, Michelle Killen, and Pat Mann.

Robert Kendrick, Chairman, presided over the meeting.

Michelle Killen kept the minutes of the meeting.

Kevin Murphy led the room in prayer and the Pledge of Allegiance.

Clint Malone was presented a certificate for completing the Certified Power Executive program.

Next the Board went into Executive Session. There were two resolutions passed while in Executive Session. The first was concerning the Operating Agreement of Aeneas Communications, LLC. The second was to elect Allan Ferguson to serve on the Aeneas Board of Directors. They are attached below.

### RESOLUTION

**WHEREAS**, Southwest Tennessee Electric Corporation (the "Cooperative") is the sole member of the limited liability company, Aeneas Communications, LLC ("Aeneas").

**WHEREAS**, Aeneas adopted the Operating Agreement of Aeneas Communications, LLC on the 15<sup>th</sup> day of January, 2020 ("Operating Agreement"),

**WHEREAS**, the Cooperative desires to amend the Operating Agreement as follows:

*This amendment is made and adopted on the 27<sup>th</sup> day of August, 2021 and is amending the "First Amended Operating Agreement of Aeneas Communications, LLC that was adopted January 15, 2020.*

*This amendment is revising “Article X, Section 10.1 Powers” of the First Amended Operating Agreement dated January 15, 2020 and revises this Section to read:*

*Article X, Section 10.1 Powers. The management and general control of the Company and its business and affairs shall be directed and controlled by a Board of Directors, comprised by the STEMC Board Chair, the STEMC Board Vice-Chair and the STEMC President. The STEMC Board, by resolution, may choose to substitute other sitting STEMC Board members in place of the STEMC Board Chair and/or the STEMC Board Vice-Chair to serve on the Board of Directors of the Company. The Board of Directors of the Company, shall have the rights, powers and duties which may be possessed by Board pursuant to the Act, and which are specified in this Agreement or are necessary, advisable or convenient to the discharge of their duties under this Agreement. The day to day management and control of the Company, and its business and affairs, shall be conducted or exercised by, or under the direction and authority of, the Board, but shall be carried out by the officers of the President, Vice President, Secretary and Treasurer (the Secretary Treasurer may be one person), elected by the Board of Directors, (collectively the “Officers”). The Officers shall have the rights, powers and duties specified in this Agreement or designated by the Members, or which are necessary, advisable or convenient to the discharge of their duties under this Agreement.*

**NOW, THEREFORE BE IT RESOVLED**, the Cooperative hereby approves this amendment to the Operating Agreement effective this 27<sup>th</sup> day of August, 2021.

## **RESOLUTION**

**WHEREAS**, Southwest Tennessee Electric Corporation (the “Cooperative”) is the sole member of the limited liability company, Aeneas Communications, LLC (“Aeneas”).

**WHEREAS**, Aeneas adopted the Operating Agreement of Aeneas Communications, LLC on the 15<sup>th</sup> day of January, 2020 (“Operating Agreement”),

**WHEREAS**, Aeneas amended the Operating Agreement on the 27<sup>th</sup> day of August, 2021:

**WHEREAS**, the amended Operating Agreement allows for the Cooperative Board of Directors to substitute another sitting Cooperative Board Member in place of the STEMC Board Vice-Chair to serve on the Board of Directors for Aeneas

**NOW, THEREFORE**, The Cooperative hereby selects Allan Ferguson to serve on the Board of Directors for Aeneas in place of the STEMC Board Vice-Chairman.

Next the Board elected officers for the year. After a count of the ballots, the Executive Committee is now; Robert Kendrick, Chairman, David McDaniel, Vice-Chairman, and Audrey Blue, Secretary-Treasurer.

Scott Sims and Kevin Murphy then spoke to the Board about the meeting with the TVA Regulatory Board. TVA Regulatory is concerned about the use of electrical funds to purchase Aeneas; they want to consider it a loan and not an investment. After much discussion Southwest agreed to give TVA more information, to settle the disagreement, if TVA agreed to sign a non-disclosure agreement.

Billy Gordon updated the Board on the fiber project. Since the last update there have been 400 miles of fiber added and 1200 customers. He updated the Board on the progress of grants and new Southwest fiber employees.

Next Kevin informed the Board that the All-Employee Meeting scheduled for October 13, 2021, has been postponed until potentially February 2022. He also talked to the Board about several other meetings/events that are planned and still scheduled to happen. These events include: the TECA Annual Meeting in Nashville; The Lineman Rodeo in Jackson, TN, in September; the Henderson BBQ Fest in September; and the NRECA Regional Meeting in October, in Birmingham, AL. Upon motion of Allan Ferguson, seconded by Allen King, the Board approved that Kevin Murphy will be the voting delegate for Southwest at the NRECA Regional Meeting.

The Board next discussed the Consent Agenda and upon motion of Allen King, seconded by Audrey Blue, the July minutes were approved, the September write-offs in the amount of \$3,876.14 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a positive margin of \$685,808.43.

The President next discussed current events: an update on the 2021 Virtual Annual Meeting; electric and fiber construction; and Kevin informed the Board that TVA is extending the Pandemic Credit Relief for power companies, and Southwest will receive the same 2.5% base rate credit towards the wholesale rates. Upon motion of Allen king, seconded by Jackie Butler, the Board decided to use the credit for capital projects.

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

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Secretary-Treasurer

APPROVED:

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Chairman