

MINUTES OF MEETING OF JANUARY 25, 2011

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, January 25, 2011, at 1:30 pm.

All the Directors were present except Robert Kendrick. Also present were Kevin Murphy, Pat Mann, Jeff Huffman, Trent Scott and Scott Sims.

James Rose, Chairman, presided over the meeting.

Audrey Blue, Secretary-Treasurer, kept the minutes of the meeting.

The Board next discussed the Consent Agenda and upon motion of Allen King, seconded by Norma Turner, the December minutes were approved, the February writeoffs in the amount of \$27,146.46 were approved, and the vendor payment list and the comparative statement were reviewed and discussed and there were several corrections noted. The President reported a positive margin of \$323,657.27.

The Chairman next discussed the proposed salary and contract of the President and upon motion of Allen King, seconded by W. B. McKinnon, the Board agreed to a 4% raise and to work on a proposed three year contract. Said motion passed.

The President next discussed company owned vehicles and how they are being used by employees and ways to improve the use of those vehicles. No action was required by the Board.

Jeff Huffman, Tipton County Mayor, next gave a review of the HTL Advantage activities and asked the Cooperative to contribute \$20,000 to its continued work. Upon motion of Allen King, seconded by Claire Marshall, this contribution was approved.

Scott Sims next presented bids from four audit firms for the coming year and stated that the low bid was from Alexander Thompson Arnold in the amount of \$15,210.00. Upon

motion of Hugh Harvey, seconded by W. B. McKinnon, this company was selected for this year's audit.

Trent Scott next discussed proposed sites for Annual Meeting in 2011 and they were Brownsville, Jackson, Covington and Henderson. He gave the cost of each location and the capacity. After discussion by the Board and upon motion of Allen King, seconded by W. B. McKinnon, the Board selected the site of the Jackson fairgrounds for 2011.

The President next stated that each Board member should select one couple to serve on the Member Advisory Committee.

The President next discussed the TECA Legislative Reception to be held in Nashville on February 22, 2011 and that the Board meeting would be moved to February 24, 2011.

The President next gave a report on the Tennessee Power Distribution Company (TPDC) and stated that a representative to the TPDC Board needed to be selected. After discussion, and upon motion of Allen King, seconded by Hugh Harvey, the Board adopted the following resolution designating Kevin Murphy as said representative.

**RESOLUTION
TPDC REPRESENTATIVE**

WHEREAS, the Board of Directors of the Southwest Tennessee Electric Membership Corporation (the "Cooperative") elected Jack Fox, on March 3, 2008, to serve as its representative to the Board of Directors of the Tennessee Power Distribution Company ("TPDC");

WHEREAS, pursuant to the terms of the Bylaws of TPDC, (i) the term of said director will expire at the February 21, 2011, meeting of the members of TPDC, and (ii) the Cooperative is required to select a representative to succeed said director and to serve on the Board of Directors of TPDC for three years; and

WHEREAS, the Cooperative desires to select a representative to represent the Cooperative at meetings of the members of TPDC;

NOW, THEREFORE, the Cooperative hereby selects J. Kevin Murphy as its representative to serve on the Board of Directors of TPDC, and to serve as the representative of the Cooperative at meetings of the members of TPDC.

The President next stated that the WTIA will hold its annual meeting in Jackson on February

23, 2011 at the Doubletree Hotel and to let Cathy Yearwood know if they plan to attend.

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

Secretary-Treasurer

APPROVED:

Chairman