

MINUTES OF MEETING OF JUNE 28, 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, June 28, 2011, at 1:30 pm.

All the Directors were present except Allan King. Also present were Kevin Murphy, Mickie Webb, Scott Sims and Pat Mann.

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 Hugh Harvey, seconded by Norma Turner, the May minutes were approved, the July writeoffs in the amount of \$30,474.58 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a negative margin of \$575,403.57.

The President next explained a resolution concerning Interconnection Procedures for Distributed Generation and upon motion of Norma Turner, seconded by Hugh Harvey, the Board adopted the procedures.

Mickie Webb next presented a NRECA salary survey and reviewed these as compared to Southwest salaries. No action was required by the Board.

Scott Sims next explained the 2012 fiscal budget, which runs from July 1, 2011 to June 30, 2012. Upon motion of Hugh Harvey, seconded by W. B. McKinnon, the Board accepted this budget.

The President next gave a report on the Credentials & Election Committee meeting and stated the committee had outlined the dates that certain procedures would be taken in relation to the Annual Meeting.

The President next discussed the NRECA Region 3 meeting to be held in October in Louisville, Kentucky and asked who would be attending.

Scott Sims next explained the current billing Policy 23-1 and asked for a change in this policy to be effective September 1, 2011. Upon motion of David McDaniel, seconded by Claire Marshall, the Board agreed to this billing change.

The President next reported on several items including the radio system upgrade, the Fisher & Arnold report, AMR issues, the dispatch system, the JEA annexation, the company picnic and the BlueCross BlueShield insurance. No action was required by the board.

The President next stated that the Board would need to approve the IRS mileage increase to 50¢ per mile and upon motion of Audrey Blue, seconded by Norma Turner, this increase was approved.

The President next stated that TVA is planning a nuclear plant visit at Bellefonte.

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

Secretary-Treasurer

APPROVED:

Chairman