

## MINUTES OF MEETING OF NOVEMBER 29, 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, November 29, 2011, at 1:30 pm.

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

W. B. McKinnon, 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 October minutes were approved, the December writeoffs in the amount of \$25,461.33 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a positive margin of \$147,622.15.

Scot Sims next presented the Form 990 to the Board and explained and answered questions. No action was required by the Board.

Scot Sims next stated that the Board needed to set the interest rate on member deposits and upon motion of Allan Ferguson, seconded by Allen King, the Board set the rate at 0.15%.

The President next explained the payments that Southwest would be receiving as a result of the JEA annexation and the total of these payments over a ten year period would be \$4,600,000.

The President next stated that he would explain to the Board the purchase of the Medon transmission line from JEA at a later date.

Mickie Webb next explained the adjustment to the 401k retirement plan and presented a resolution to amend the plan. Upon motion of Allen King, seconded by Hugh Harvey, the following resolution was approved.

**RESOLUTION  
401(k) AMENDMENT**

**November 2011**

The undersigned, being the Chairman of the Board of Directors of Southwest Tennessee Electric Membership Corporation, hereby consents to the taking of this action and the Board does hereby unanimously resolve, declare, ratify and affirm as follows:

**WHEREAS**, the Employer maintains the Southwest Tennessee Electric Membership Corporation 401(k) Plan (hereinafter referred to as the "Plan"); and

**WHEREAS**, the Employer desires to amend the Plan to comply with the Worker, Retiree, and Employer Recovery Act of 2008;

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, the Amendment to the Plan that provides for the foregoing be hereby approved and adopted; and

**FURTHER RESOLVED**, that the appropriate persons be, and they are, hereby authorized to execute said Amendment to the Plan for and on behalf of the Employer; and

**FURTHER RESOLVED**, that this Action shall be filed with the minutes of the meetings of the Directors and shall be considered for all purposes and have the same effect as action taken at a meeting.

\_\_\_\_\_  
W. B. McKinnon, Chairman

\_\_\_\_\_  
Date

The President next discussed Board members compensation at other coops in the State of Tennessee as compared to Southwest. No action was required by the Board.

The President next gave an update on the progress of the labor negotiations. No action was required by the Board.

The Board next discussed voting delegates for the NRECA 2012 Annual Meeting and upon motion of Hugh Harvey, seconded by Norma Turner, the Board named Audrey Blue as the voting delegate and Kevin Murphy as the alternate.

The President next discussed the following current events which included the new phone system, hiring a Vice President of Engineering, the annual WDMA Christmas dinner, a substations update, Christmas gifts to be delivered December 22<sup>nd</sup> and a meter reading update.

Bob Kendrick next discussed the insurance premium paid by the Coop for Board members

and the President stated he would check with Bubba Pennel concerning this matter.

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

---

Secretary-Treasurer

APPROVED:

---

Chairman