

MINUTES OF MEETING OF SEPTEMBER 27, 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, September 27, 2011, at 1:30 pm.

All the Directors were present. Also present were Kevin Murphy, Scott Sims, Winston Truett 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 Allan Ferguson, the August minutes were approved with the correction of W. B. McKinnon presiding and the spelling of David McDaniel's name, the October writeoffs in the amount of \$20,567.42 were approved, and the vendor payment list and the comparative statement were reviewed and discussed. The President reported a positive margin of \$1,950,937.30.

Winston Truett with Alexander Thompson Truett gave his annual audit report of the Cooperative to the Board and reported it was good. Upon motion of Allen King, seconded by Hugh Harvey, the Board approved the report.

The President next presented a resolution concerning campaign contributions and suggested the Board approve said resolution. After discussion, upon motion of Claire Marshall, seconded by Audrey Blue, the following resolution was approved.

RESOLUTION

DIRECT CAMPAIGN CONTRIBUTIONS

WHEREAS, with respect to federal, state or local elections, for any office, the Cooperative shall not use Cooperative funds to make a direct campaign contribution to any candidate; and

WHEREAS, the Cooperative relies on the political action committees of the National Rural Electric Cooperative Association (also known as "ACRE") and the Tennessee Electric Cooperative Association (also known as TECA) for this purpose;

NOW, THEREFORE BE IT RESOLVED, that the Cooperative will make no direct campaign contributions to any candidate and will rely on the above mentioned agencies for this purpose.

The President next stated there was to be an election for a director for Region III on the CFC board and recommended we endorse the incumbent. Upon motion of Allen King, seconded by Hugh Harvey, the Board agreed to this recommendation.

The President next gave an update on the labor negotiations and stated he was waiting to hear from the labor union. No action was required by the Board.

The President next discussed the Annual Meeting for 2012. After discussion and upon motion of Hugh Harvey, seconded by James Rose, the Board agreed to have the 2012 Annual Meeting at the Jackson Fairgrounds.

The President next stated he had received bids for work at the Burlison Substation and that E. P. Breaux Electrical, Inc. had the lowest and best bid. After discussion and upon motion of Allen King, seconded by Norma Turner, the Board agreed to accept the bid of E. P. Breaux Electrical, Inc.

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

Secretary-Treasurer

APPROVED:

Chairman