

Unofficial Minutes until Board approval

May 12, 2011

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD APRIL 14, 2011

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, April 14, 2011 at 5:30 p. m. and there were present the following directors:

Class of 2011

Tommy Estes
Jamie Franks (A)
Tommy David Franks
Guy Harris
F. G. Wiygul, Jr.

Class of 2012

Steve Holland
Don Knight
Steve Sheffield
Don Spradling
Cecil Weeks

Class of 2013

Pat Carr
Jimmy Gray
Larry Harris
Jack Johnson
Buddy Palmer

(A)—Not present

Also present were: William W. Long, General Manager; Rudolph Franks and Jonathan Hagood, Auditors; Scott Hendrix, Attorney; Bruce Williams, Tupelo Office Manager; Barry Thrasher, Fulton Branch Manager; David Riley, Tupelo Operations Manager, David Kelso, Member Services Director, and Tim Phipps, Energy Services Technician

Dawn Best, Customer Service Manager, TVA, Tupelo Customer Service Center

Pat Carr called the meeting to order and called on Cecil Weeks to open the meeting with prayer.

Mr. Carr then called on Bill Long to introduce Dawn Best, our guest attending the Board meeting at Long's invitation. Ms Best explained details of the April 2011 Wholesale and Retail Rate Changes including the affects to TVA's and TEPA's revenues. The primary message from TVA is to provide through the new wholesale and retail rate structure a method to reward users for their conservation efforts and resultant savings for the TVA power supply system. Ms Best provided supportive literature to directors and answered several questions concerning the presentation topic.

Mr. Carr opened the floor for consideration of the March 10, 2011 Board Meeting Minutes. Buddy Palmer was recognized by Mr. Carr and pointed out additional information that should be included in the Insurance Committee report at the March Board meeting that would identify the additional cost of approximately \$565,000 required to terminate coverage provided through the EPA of MS Group Benefit Trust. After hearing Mr. Palmer's input, **Tommy Estes made a motion that the March 2011 Minutes be approved as prepared and mailed to Directors for review except to include the additional details identified by Mr. Palmer.** Don Knight seconded the motion and upon vote taken duly carried.

Auditors Report: Mr. Carr then called on Mr. Rudolph Franks to present the Auditor's Report. Mr. Franks provided the Board with a copy of his TEPA Monthly Highlights Report for February 2011 and commented on several components of the report (for further information and review, a copy of the report is filed at the headquarters office). Directors had no questions for Mr. Franks concerning his report.

Managers Report: Mr. Carr then called on Bill Long to give the Manager's Report. Long reported and provided details on the following topics:

- Reported to the Board that we should be receiving official notice soon that our pension contribution amount can be reduced for the current pension year. Long pointed out that after the official notice is received, pension contribution data will be reviewed with the appropriate committee and a recommendation made to the Board for further direction.
- Gave a brief recap and overview of the industrial prospects TEPA staff is working with some of which include expansions planned by existing industry members. Comments and details include activities at Projects Blue Fire and Dixie Green, Universal Asset Management (airliner parts salvage), Mueller Copper Tube, Auto Parts Manufacturing of Mississippi and Toyota Boshoku America.
- Provided the Board with specifics of power supply delivery status using new substation facilities built and provided by TEPA for the Toyota Tier supplier network. Both suppliers are now being served through these special facilities and are paying the special delivery point charges according to industrial power supply contracts in place.
- Informed the Board that the KDL Windstream had signed the pole attachment contract presented to them by TEPA. KDL still lacks but is planning to provide the remaining insurance and bond coverage.
- Informed the Board that Hannah Waycaster, daughter of our employee Greg Waycaster had been selected to receive one of the TVA/Power Distributor Scholarships. Hannah was an applicant in the EPA of MS Youth Leadership Program, and was selected to do summer work for TEPA. Hannah will receive a \$4,000 scholarship at the senior college of her choice. She is planning to study architecture.

Attorneys Report: Mr. Carr then called on Scott Hendrix to give the attorney's report. Mr. Hendrix reported that there were no new topics to report on and that service provided this month has been limited to management support. Directors had no questions for Mr. Hendrix concerning TEPA active legal issues.

Committee Reports: Mr. Carr then called on those committee chairmen having information to present to the Board.

Insurance: Buddy Palmer, Chairman, briefly recapped the action recommended and adopted during the insurance committee report by motion of the Board at the March Board meeting. Specifically, Mr. Palmer addressed the directive by the Board to invite Mr. Callahan, Executive Director of the Electric Power Associations of Mississippi, to a TEPA Board meeting and to address Directors' questions and concerns with the Medical

Plan and related topics. Mr. Palmer presented and recapped a draft list of topics to be provided to Mr. Callahan to address at the May TEPA Board meeting.

Buildings and Grounds: Don Knight, Chairman reported that the committee had met on March 29 for the purpose of considering general contracting and subcontracting firms that would be invited to bid on the new headquarters facility improvements at Tupelo. Mr. Knight also reported that the local business of Comfort Engineering had been added to the subcontractor list to be selected from by the general contractor. **Mr. Knight reported that the committee recommended that the bids be accepted by invitation only and that Comfort Engineering be added to the subcontractor list.** Hearing no discussion and upon vote taken the motion duly carried.

Executive: Pat Carr then called on Bill Long to report on a couple of matters considered by the committee and to be recommended to the Board for consideration and action. The topics are as follows:

Smoking and Tobacco Use Policy: Long, on behalf of the Executive Committee, reported and summarized the following policy language recommended to the Board by the committee for immediate adoption:

Tobacco Use Policy

Use of tobacco products of all kinds is prohibited in and on all TEPA facilities and properties except where designated.

Non-public use areas of TEPA facilities and properties may be designated as tobacco use areas and will be clearly identified as such. Employees and the general public, when authorized to be in these areas, may use tobacco products in these areas in accordance with other stated TEPA rules and regulations.

Directors entertained brief discussion of the tobacco use policy as proposed by the Executive Committee. Upon vote taken on the matter, the motion duly carried.

Re-Attendance to Pre-Lineman Assessment Schools: Long, on behalf of the Executive Committee, reported and summarized the following policy language recommended to the Board by the committee for immediate adoption:

Policy on Re-Attendance to Pre-Lineman Assessment Schools

If an applicant to the lineman training program does not successfully complete the Lineman Pre-Assessment Workshop, as determined by TEPA management (subject to emergency situations beyond the applicants control, to be considered and determined by the Board), the applicant may attend the workshop again under the following circumstances and conditions and is responsible for:

1. All cost of re-attending the workshop. This includes, but is not limited to the workshop cost, travel and transportation, food and lodging, climbing and associated equipment necessary to participate in the workshop, etc.
2. Attends on their own time using vacation time accumulated or approved administrative leave without pay
3. Time off must be coordinate with and approved by the supervisor

4. Permission to attend must be approved first by TEPA management before attending the workshop. An evaluation of the applicants lineman training progress results will be evaluated before approval to attend the work shop
5. Only workshops approved by TEPA will be accepted
6. Should the applicant decide to attend, TEPA will assist with arranging the workshop attendance schedule

Hearing the recommended policy as developed by the staff, and presented by Long on behalf of the Executive Committee, and upon vote taken on the matter, the motion duly carried.

Matters of Mutual Concern: Mr. Palmer requested a status report on the progress of TEPA's installation of the Automatic Meter Reading System (AMR). Long reported that we lacked conversion of two (2) of TEPA's eighteen substation sites and the meters served by those two station sites. Presently we have approximately 32,400 AMR units deployed and we expect to install approximately 9,000 additional units before the end of the calendar year.

They're being no further business; **Steve Holland made a motion that the May 2011 Board meeting be held at the Tupelo headquarters office and that afterwards, the Board meet at his residence in Plantersville for a time of fellowship and refreshment.** F. G. Wiygul seconded the motion and upon vote taken duly carried.

Pat Carr, President

F. G. Wiygul Jr., Secretary-Treasurer