

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD AUGUST 11, 2011

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, August 11, 2011 at 5:30 p. m. and there were present the following directors:

Class of 2011

Tommy Estes
Jamie Franks
Tommy David Franks (A)
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 (A)
Jack Johnson
Buddy Palmer

(A)—Not present

Also present were: William W. Long, General Manager; Rudolph Franks, Auditor; 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

Pat Carr called the meeting to order and called on Jack Johnson to open the meeting with prayer.

Mr. Carr then opened the floor for consideration of the July 2011 Board Meeting Minutes. **Buddy Palmer made a motion that the July minutes be approved subject to the following revised language to be included as a part of the Auditor's Report section of minutes written and distributed to Directors by mail:**

“...Following Mr. Frank's report, Buddy Palmer asked for clarification concerning the Revenue and Expense information for the reporting period dated May 2011, which indicated a loss for that month of \$195,725.02. Mr. Franks addressed Mr. Palmer's question and identified that the loss shown was a function of three employee pay periods during the monthly reporting period and should average out for the end of fiscal year reporting....”

Hearing the proposed revision and addition to the July minutes, Cecil Weeks seconded the motion and upon vote taken duly carried.

To facilitate discussion of the upcoming topics, **F. G. Wiygul made a motion that the Board enter into executive session and that the staff present is instructed to remain present in the meeting.** Steve Sheffield seconded the motion and upon vote taken duly carried.

Upon completion of discussion during executive session, **F. G. Wiygul made a motion that the Board terminate executive session.** Don Knight seconded the motion and upon vote taken duly carried.

Mr. Hendrix then presented a draft Affirmative Action Plan to the Board for review. **Steve Sheffield made a motion that the Affirmative Action Plan compiled by Mr. Hendrix and the TEPA staff be approved for submittal to the appropriate federal agencies.** Buddy Palmer seconded the motion and upon vote taken duly carried.

Additionally, **Don Spradling made a motion that the Public Relations and Bylaws Committee conduct a review of TEPA Bylaws and bring suggested revisions back to the Board for review and further consideration.** Don Knight seconded the motion and upon vote taken duly carried.

Auditor's 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 June 2011 which represented the end of the fiscal year for TEPA. Mr. Franks also commented on several components of the report (for further information and review, a copy of the report is filed at the headquarters office).

During Mr. Frank's report, Mr. Palmer asked for clarification of the funding level for TEPA's employee retirement program. Mr. Franks pointed out that detail information is not provided by this report, but that information can be confirmed at a later time. Long responded from general knowledge of information provided by participation on the Insurance and Retirement Committee of the CSA Board (sponsor of the TEPA retirement plan with investments with Mass Mutual), and that the funding level of the TEPA plan is in the high 80s low 90s percentile.

Manager's Report: Long reported on the following items:

- reminded directors of the EPA of MS Annual Meeting to be held September 10-13 and that travel arrangements for those indicating availability to attend had been completed
- gave a brief overview of information learned at the recent Emergency Work Plan meeting sponsored by the Statewide. Long emphasized the complications surrounding complex and contradictory reporting rules between FEMA and OIG review and approval departments
- Provided general knowledge of likely TVA wholesale rate increase planned for October 2011. This is not supposed to be a large rate increase
- Gave brief remarks about the Toyota plants that are progressing in to manufacturing status. Electrical loads at the plants are gradually rising but are not expected to reach levels requested by plant representatives
- Provided preliminary plans for a new substation to serve the Shannon region which will be construction in the next 2 years
- Reimbursement for repair expenses incurred due to major storms in April and May appears to be on track and on the order of \$250,000
- Still on schedule to complete AMR by the end of the calendar year. At completion, will have approximately 36,000 remote read meters in operation
- Reported on several large manufacturing loads still considering the TEPA service area for their location. These include:

Unknown name at Verona Industrial Park	15MW
Unknown name at Campbelltown Sub.	15 MW+
Unknown name at Verona Industrial Park	5MW
Unknown name at Fulton	5 MW
Unknown name at Fulton	2 MW
Unknown name at Marietta	1.2 MW

- Provided the Board with information concerning assistance request to neighboring electric cooperatives for assistance during the recent series of thunderstorms, high winds and damaging lightning. Assistance was provided to TEPA from Tallahatchie Valley EPA, Northeast Mississippi EPA and North Central EPA. Approximately 30 workers with equipment were dispatched
- Report participation to occur in the executive committee of the Group Benefit Trust which provides our health coverage through Blue Cross Blue Shield. An annual increase in premiums of 5-8% is expected to be adopted.

Matters of Mutual Concern: Buddy Palmer raised a point related to his personal experience with his electric accounts contribution to the Good Friends program due to the mechanics of the program. Mr. Palmer pointed out that the program may need review and modification in case TEPA members would like to “give more” through the program. Mr. Weeks, chairman of the committee working on this program commented that efforts and study were as underway that may address these concerns and make the program more flexible.

Recognizing Mr. Tommy David Frank’s retirement from the Board, **Jamie Franks made a motion that Tommy David be affirmed as Director Emeritus with all the rights and privileges afforded the status.** F. G. Wiygul seconded the motion and upon vote taken duly carried.

They’re being no further business; **Guy Harris made a motion that the September 2011 Board meeting be held at Tupelo Headquarters Office.** Steve Sheffield seconded the motion and upon vote taken duly carried.

Pat Carr, President

F. G. Wiygul Jr., Secretary-Treasurer