

Unofficial Minutes until Board Approval

January 14, 2016

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD DECEMBER 10, 2015

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, December 10, 2015, at 5:00 p. m. and there were present the following directors:

Class of 2016

Pat Carr
Jimmy Gray
Jack Johnson
John McFerrin
Buddy Palmer

Class of 2017

Tommy Estes
Guy Harris
Chip Prestage (A)
Brenda Goff Shumpert
F. G. Wiygul, Jr.

Class of 2018

Jim Gray
Steve Holland
Don Knight
Don Spradling
Cecil Weeks

(A)—Not present

Also present were: Scott Hendrix, Attorney
 Greg Jarrell, Auditor
 David Kelso, Fulton Branch Manager
 Steve Tarpley, Member Services Director
 Bruce Williams, Tupelo Office Manager
 William W. Long, General Manager

(A)—Not present

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

Mr. Carr opened the floor for consideration of the November, 2015 regularly scheduled Board Meeting Minutes. **Don Knight made a motion that the November meeting minutes be approved as prepared and mailed to Directors for review.** Jack Johnson seconded the motion and upon vote taken, a majority vote was observed.

Mr. Carr then inquired if there was a need for an Executive Session. Mr. Hendrix responded that there was no need for an executive session.

Mr. Hendrix then proceeded to provide the Board with information concerning an industrial member under billing issue. TEPA has recommended and the industry has agreed to submit this issue to voluntary mediation between TEPA and the industry. Dialog and correspondence to date indicates that progress that has been made to that end.

Upon Director questions, general information was provided for how a mediation process is conducted.

Committee Reports:

Mr. Carr then called upon committee chairmen to present information to the Board on behalf of their respective committees and other meetings and work sessions held:

Industrial: Mr. Holland, Chairman, called on General Manager Long to give a report to the Board concerning an invitation from the Community Development Foundation (CDF) to TEPA to attend the CDF Board Meeting on November 23, 2015 for the purpose of receiving recognition by the CDF. Mr. Holland and Long attended and represented TEPA. During the board meeting, CDF presented TEPA with a plaque in recognition of TEPA's efforts during the recent implementation of new security deposit requirements for certain business and industry. The CDF recognition placed special emphasis on TEPA's process and policies that were implemented with significant concern and recognition to these members of TEPA and their contribution to the community. The plaque remains on display at the headquarters office.

Public Relations and Bylaws: Jimmy Gray, Chairman, called on General Manager Long to provide opening remarks concerning certain details of the recently revised/amended TEPA Service Practice Policies. Long further explained that, in order to implement the new policies as recently approved by the Board, certain components outlined by the new policies need to be reviewed and determined to carry out said implementation by the Board. Long stated that these details have been identified and discussed by the Committee for presentation to the Board for approval. On behalf of Mr. Gray, committee chairman, Mr. Hendrix, presented the following recommendation as determined by the committee for Board consideration and action:

The Service Practice Rules require Board establishment and approval of a passbook savings rate to be accrued on deposits after January 1, 2016. The Committee therefore recommends that for this purpose the Board adopt the blended rate earned on the Association's Emergency Funds as calculated every December, which method shall continue until the Board adopts another method or rate, and with said rate to be applied for the year following the calculation (2015's rate shall apply to 2016).

After the recommendation of the committee was provided to the Board for discussion and consideration, Directors had various questions for the committee members and the staff concerning how the recommended rate would be utilized and how the process would work for accruing member interest earnings based on the amount of deposit held by the Association.

After further discussion, **Steve Holland made a motion to amend the committee's recommendation to include that as a part of the routine process conducted by the staff for accruing member interest, that a report be provided to the Board periodically, or as often as the Board may inquire, but no less than annually, as to the current interest rate being utilized and the projected rate for the ensuing year.** F. G. Wiygul seconded the motion and upon vote taken the motion to amend was unanimously approve.

Upon the approval of Mr. Holland's amendment to the committee's recommendation, and upon the vote taken upon the amended motion, a unanimous vote to approve was observed.

Auditor's Report: Greg Jarrell provided Directors with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Jarrell and Wilemon for the month ending October 2015. Mr. Jarrell explained various details of the report and provided a summary of the Monthly Highlights report. Mr. Jarrell stated that he would include a line item on his monthly financial report to show accrued interest on deposits. Through this month, total electric sales and net income are consistent with and slightly higher than for the same period last year.

Directors had no questions or comments for Mr. Jarrell concerning his report.

Manager's Report: Long reported to the Board on the following matters:

- Reminded the Board of the employee Christmas party that is scheduled for Saturday, December 12, 2015. Activities will begin at 5 p.m. at the Summit meeting facility. Voluntary contributions by attendees will be provided to two local food pantries to assist those in need.
- Provided the Board with an update and the status of the Nettleton resident concerned with TEPA's cutting of a tree on their property. All details have been resolved and a settlement will be provided to the member.
- Informed the Board of TVA's presentation to TEPA with a commemorative plaque for recognition of TEPA's new headquarters facility.
- Informed the Board of five (5) employees that will be receiving their 25-year service award at this year's employee Christmas party.
- Provided to the Board a general summary of Mississippi Department of Transportation (MDOT) Bridge Improvement Project along highway 178 east of the Clay Community to Tremont. TEPA will be required to pay a significant amount of the cost of its power line relocation due to a majority of the power pole affected being located inside the MDOT designated right of way. About one-fourth of the total project cost will be reimbursed to TEPA.
- Provided the Board with an update of TVA's schedule for completion of the new Tupelo-Union 161kV transmission line. The new circuit which will cost approximately \$20 Million will provide an improvement for power supply and voltage stability for the Tupelo Primary substation owned and operated by TVA. It will also improve the reliability of TEPA's Turner Park and Barnes Crossing substations by providing an alternate route for power flow for both of these substations should when there is another storm event like the April 2014 tornado. That tornado rendered the radial power feed for these two stations inoperable for approximately three (3) days while TVA made repairs.

Matters of Mutual Concern: Director Palmer requested that the staff provide an update to the Board concerning the planned use of an Outage Management System (OMS).

There being no further business, **John McFerrin made a motion that the January 2016 Board meeting be held at the Tupelo Headquarters.** Jack Johnson seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

F. G. Wiygul, Jr., Secretary-Treasurer