

Unofficial Minutes until Board Approval

March 10, 2016

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD FEBRUARY 11, 2016

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, February 11, 2016, 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 (A)
Chip Prestage
Brenda Goff Shumpert (A)
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
 David Riley, Tupelo Operations Manager
 Steve Tarpley, Member Services Director
 Bruce Williams, Tupelo Office Manager
 William W. Long, General Manager

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 January, 2016 regularly scheduled Board Meeting Minutes. **Buddy Palmer made a motion that the January meeting minutes be approved as prepared and mailed to Directors for review.** John McFerrin 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 and Directors responded that there was no need for an executive session.

Mr. Hendrix then proceeded to provide the Board with information concerning his report for the month including brief statements and explanation of topics under study and certain details associated with those topics. Mr. Hendrix answered questions from Directors on matters under his study and review.

Don Knight was recognized by the Chairman for a question to Mr. Hendrix. Director Knight requested the status of action directed by the Board for the pursuit of mediation with a member

industrial to reconcile the payment of an under billing amount. Mr. Hendrix explained the status of his work to carry out that directive. There were no other questions on the matter from the Board.

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:

Buildings and Grounds: Mr. Knight, Chairman, brought a couple of matters to the Board's attention. First, Mr. Knight made the Board aware that an inquiry had been made to General Manager Long by a local real estate agent to verify the price established by the Board for the old office...the South Gloster Street property. In a related matter, Mr. Knight initiated a discussion concerning the other measures that the Board may want to discuss or pursue in connection to the sale of the South Gloster Street property. After further discussion, there were no other actions identified by the Board for implementation by the TEPA staff.

Personnel: Don Spradling, Chairman, reported to the Board on a matter considered by the committee. Mr. Spradling proceeded to provide the Board with information presented by the TEPA staff for TEPA participation in the Electric Power Association of Mississippi (EPA of MS) Employee Credit Union. Mr. Spradling proceeded to highlight some of the opportunities that would be available to TEPA employees if the Board approves participation in the Credit Union and called on Mr. Tommy Estes to give his testimony having been involved in a credit union operation at a previous employer.

As a result of the presentation and discussion of this matter, Mr. Spradling, on behalf of the committee study and presentation to the Board, recommended that the Board approve joining the EPA of MS Employee Credit Union. Hearing the committee recommendation and upon vote taken, the recommendation was voted and unanimously passed.

Public Relations and Bylaws: Jimmy Gray, Chairman, called on General Manager Long to report on a matter considered by the committee and approved for implementation.

Long reported that a request had been made by a representative of Itawamba Community College (ICC) to participate as a sponsor in the ICC Foundation activity planned for this calendar year. Upon the request made to Long, information was provided to the committee members, and a decision was made by committee members to allow TEPA to participate for this one year only with a contribution of \$5,000, and that any future participation by TEPA in the ICC Foundation activity would have to be considered by the Board for approval

Executive: Mr. Carr, Chairman, reported that the committee had considered a request made to the staff by Director Palmer to make a change in his election for participation in the TEPA health care plan by being allowed to discontinue his participation in the plan. Mr. Carr then called on Scott Hendrix to explain the matter considered by the committee.

After explanation by Mr. Hendrix, **F. G. Wiygul made a motion that the Board move forward as requested by Mr. Palmer with a procedure and provisions that would allow applicable directors to opt out of the TEPA provided health care plan based upon the following provisions: 1.) any Director elected after January 2002 but before July 2007, will be eligible to opt out of the group medical plan, 2) the change would be effective March 1, 2016 and, 3) the individual Directors decision once implemented shall be**

irrevocable. Chip Prestage seconded the motion and upon vote taken a unanimous vote 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 December 2015. Mr. Jarrell explained various details of the report and provided a summary of the Monthly Highlights report. Through this month, total electric sales and net income are consistent with but slightly lower than for the same period last year. During this month, operating expenses are somewhat higher than for the same period last year which contributed to the slight reduction in net income. Mr. Jarrell reported that his review of TEPA financials continue to show good and healthy results for this month.

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

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

- Provided the Board with information concerning TEPA's most recent activity in support of the EPA of MS Emergency Assistance Program. TEPA responded to a request from the Virginia Statewide organization on behalf of Rappahanook EMC. TEPA dispatched three (3) construction crews pursuant to the request...but they were stopped in Alabama in route to Virginia, due to the storm being much less severe than anticipated.
- Provided the Board with an update for TVA's construction project to complete the Tupelo-Union 161 kV transmission Line #3. When completed, along with other power supply objectives, this new line will provide for a loop-feed for the Barnes Crossing and Turner Park substations owned and operated by TEPA. This will greatly improve the reliability for both of these substations and prevent the multi-day outages similar to those that occurred during the April 2014 tornado outages.
- Provided the Board with information and details associated with the decision made by the Public Relations and Bylaws committee to participate in the 2016 ICC Foundation function by participating as a sponsor with a one-time \$5,000 contribution in support of ICC and the Foundation.
- Provided the Board with the status of the project for study and implementation of an Outage Management System. The system will be used during occurrences that interrupt large or high numbers of electric service connections to members due to storms. At the present time a probable vendor has been selected; however, an alternate method is under study that will provide the same service but at a much lower cost. Planned implementation is scheduled before the end of the calendar year.
- Provided the Board with a general overview of the legislation being pursued by the Electric Power Associations of Mississippi through the Senate Bill 2089 and the House Bill 1139. Both bills seek to update the original "Electric Power Association" Bill, originating in 1936, to modernize the statute according to day to day practice by the 25 electric power associations statewide while at the same time clarify the regulatory authority of the Mississippi Public Service Commission, TVA and the respective Boards of the individual Cooperatives.

Matters of Mutual Concern: John McFerrin was recognized by the Chairman to address the Board. Mr. McFerrin made a request for and asked if there was any interest in inviting a speaker from the Itawamba County Sheriff's Office to speak to and address the current state law(s) as they apply to individuals carrying firearms in public and private businesses. After a brief discussion, **John McFerrin made a motion that a representative of the Itawamba County**

Sheriff's Office be invited to attend the March Board meeting and to address the subject previously discussed. F. G. Wiygul seconded the motion and upon vote taken a majority vote was observed.

There being no further business, **Jimmy Gray made a motion that the March 2016 Board meeting be held at the Tupelo Headquarters.** Tommy Estes seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

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