

# Unofficial Minutes until Board Approval

## February 9, 2017

### MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD FEBRUARY 9, 2017

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, February 9, 2017, at 5:00 p. m. The following Directors were present:

<u>Class of 2017</u>	<u>Class of 2018</u>	<u>Class of 2019</u>
Myra Estes (A)	Jim Gray	Pat Carr
Guy Harris	Steve Holland (A)	John McFerrin (A)
Chip Prestage	Don Knight	Jimmy Gray
Brenda Goff Shumpert		Buddy Palmer
F. G. Wiygul, Jr.	Cecil Weeks	Malcolm Wesson

(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 Long, General Manager

Chairman Carr called the meeting to order and called on Bill Long to open the meeting with prayer.

Mr. Carr opened the floor for consideration of the January 2017 regularly scheduled Board Meeting Minutes. **Buddy Palmer made a motion that the January meeting minutes be approved as prepared and provided to Directors for review.** Don Knight seconded the motion and upon vote taken a majority vote was observed.

Mr. Carr then asked Directors and Scott Hendrix if there was a need to an Executive Session. Prior to any response, Director Palmer asked to be recognized by the Chair. Mr. Palmer was recognized and raised the topic that, in light of Director Don Spradling's untimely passing, and the resultant vacant position on the Executive Committee, that the Board should consider filling that officer position. Pursuant to Mr. Palmer's statement and with the discussion and comments offered by other Directors, **Don Knight made a motion to nominate F. G. Wiygul to fill the vacant officer position of Vice-president previously held by Mr. Don Spradling.** John McFerrin seconded the nomination. **Guy Harris made a motion that nominations cease and that Mr. Wiygul be elected by acclamation.** Chip Prestage seconded the motion and upon vote taken a majority vote was observed.

**Buddy Palmer then made a motion that Mr. Don Knight be elected to fill the officer position of Secretary-Treasurer just vacated by Mr. Wiygul when elected as Vice-president.** Cecil Weeks seconded the nomination and upon vote taken, a majority vote was observed.

Both Mr. Wiygul and Mr. Knight were congratulated by Directors for the newly elected officer positions to serve the Association.

Mr. Carr then inquired of the Board and staff if there was a need for an Executive Session. Mr. Hendrix responded that there was a need for an executive session. **Guy Harris made a motion that the Board enter into Executive Session.** Chip Prestage seconded the motion and upon vote taken a majority vote was observed.

Upon the completion of the Executive Session, **Buddy Palmer made a motion that the Board move out of Executive Session.** Guy Harris seconded the motion and upon vote taken a majority vote was observed. Mr. Hendrix summarized and stated that information provided to the Board during the Executive Session concluded his remarks unless Directors had questions for him concerning other topics. Hearing none, Chairman Carr moved to the next agenda item.

#### **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 by their respective committees:

**Public Relations and Bylaws:** Mr. Jimmy Gray, Chairman, called upon TEPA staff to provide information to the Board concerning two (2) matters previously considered and studied by the Committee that will be presented for Board consideration and action.

Bill Long reported that ICC has requested TEPA's participation again for a second year in the Annual Gospel Bluegrass Concert. Long explained that the Committee has reviewed the details of ICC's request and recommends to the Board participation at the \$5,000 level. Hearing the recommendation of the Committee, which requires no second from individual Directors, and upon vote taken, a majority vote was observed.

Long also reported that the Committee had been presented with and considered details of the TVA LPC Complaint Resolution Process. Long provided a brief summary of the process that the Committee had undertaken to review and revise the TEPA Service Practice Policies and the Board's subsequent consideration and approval of those policies. During that process of revising our policies, TVA and TEPA (along with other LPCs in Mississippi) developed and implemented for field testing a Customer Complaint Resolution Process. The process has been utilized and tested in Mississippi for more than a year and the service is advertised on TEPA's web site as well as during member communication efforts in TEPA's provision of services to members and the Service Department processes already in place. Upon this explanation and consideration by the Public Relations and Bylaws Committee recommends that this Complaint Resolution Process be incorporated into TEPA's Service Practice Policies. Hearing the recommendation of the Committee and upon vote taken, a majority vote was observed.

**Executive:** Pat Carr, Chairman, called on Bill Long to present a business matter for consideration and action by the Board.

Long reported that it is necessary to review and to implement two policy statements identified as a “Conflict of Interest Policy” and “Procurement Procedures”. Long further explained and provided a general overview for the use and application of the policies. Hearing the review and the application, Mr. Carr, on behalf of the Executive Committee recommended adopting the following policy statements:

## **TOMBIGBEE ELECTRIC POWER ASSOCIATION**

### **Conflict of Interest Policy**

#### **Objective:**

To provide guidelines and standards for the employees of Tombigbee Electric Power Association (“TEPA”) to avoid conflicts of interest, or any appearance of conflicts of interest, to ensure that the affairs of TEPA will be carried out in a businesslike and ethical manner. A conflict of interest occurs when an employee’s private interests interfere with or appear to interfere with TEPA interests or if those private interests impair the employee’s abilities to act in TEPA’s best interests.

Since it is not feasible in a policy statement to describe all of the circumstances and conditions that could be considered conflicts of interest, every TEPA employee is expected to avoid situations that might be construed as a conflict of interest.

#### **Content:**

The following guidelines shall apply to TEPA employees:

- A. No TEPA employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.
- B. No TEPA employee, officer or agent shall solicit gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements.
- C. No TEPA employee, officer or agent shall accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements, except for infrequent business lunches/meals which may occur as part of the normal meeting content or other similar business transactions.

#### **References:**

2 CFR § 215.42 (2013) (Codes of Conduct).

#### **Responsibility:**

The TEPA General Manager/Chief Executive Officer or his/her designee shall be responsible for implementing and ensuring compliance with this policy.

# **TOMBIGBEE ELECTRIC POWER ASSOCIATION**

## **Procurement Procedures Policy**

### **Objective:**

To provide guidelines and standards for the employees of Tombigbee Electric Power Association (“TEPA”) to cover aspects of the procurement cycle, including the selection of the supplier and appropriate bid requirements.

### **Content:**

1. TEPA representatives must avoid purchasing unnecessary items.
2. Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement.
3. Solicitations for goods and services must provide for all of the following:
  - a. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
  - b. Requirements which the bidder/ contractor/vendor must fulfill and all other factors to be used in evaluating bids or proposals.
  - c. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
  - d. The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.
  - e. The acceptance, to the extent practicable and economically feasible, of products and services with dimensions measured in the metric system.
  - f. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment and are energy efficient.

### **References:**

2 CFR § 215.44 (2013) (Procurement Procedures).

### **Responsibility:**

The TEPA General Manager/Chief Executive Officer or his/her designee shall be responsible for implementing and ensuring compliance with these procedures.

**Insurance:** Mr. Buddy Palmer, Chairman, provided a brief report concerning issues that Director Knight and his wife had experienced while using the AmWins Medicare

supplement plan. Mr. Palmer and Mr. Knight expressed that the staff and AmWins representatives are aware of the plan use problems and that solutions appear to be in progress.

**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 2016. Mr. Jarrell explained various details of the report and provided the following specific details and information:

- net income for the 6 months of FYE 2017 was \$832,941 greater than for the same period last year
- net income for the month of December 2016 was a loss of \$580,786 compared to a loss of \$201,318 for the month of December 2015
- for the 6 months of FYE 2017, compared to the same period last year, kilowatt hours sold increased by 6.20%
- the mild fall weather so far this season continues to play a major roll and has been a major positive factor in the positive sales and income results for the month of December 2016
- Mr. Jarrell also highlighted other accounting details that affected our monthly report. Mr. Jarrell emphasized that even though TEPA experienced a net income loss for the month of December, TEPA continues to enjoy a strong year to date for FY 2017

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 SCAM calls to customers in the area served by Tupelo Water and Light falsely stating that TEPA had acquired the area served by the City of Tupelo and that the scammers were falsely collecting new deposits from those customers.
- Provided the Board with information supplied to employees as well as the general public for used equipment for sale and the method and process used by TEPA to sell the unneeded equipment. Long suggested Directors visit the TEPA website for more information.
- Provided the Board with information concerning the cleanup of the material storage area at the South Gloster Street headquarters site.
- Provided the Board with general information concerning an industrial client/load that is considering one of the locations available in the Tupelo-Lee Industrial Park. The effort is very preliminary.
- Informed the Board of loss of a bus voltage regulator used at the Fulton District Substation located near the Fulton Branch Office. Preliminary estimates are that replacement of the unit will cost approximately \$75,000. The damage was most likely due to winding insulation damage during a lightning storm.

**Matters of Mutual Concern:**

They're being no further business, **Chip Prestage made a motion that the March 2017 Board meeting be held at the Tupelo Headquarters.** F. G. Wiygul seconded the motion and upon vote taken a majority vote was observed.

---

Pat Carr, President

---

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