

Unofficial Minutes until Board Approval

February 11, 2016

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD JANUARY 14, 2016

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, January 14, 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
Chip Prestage
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
 David Riley, Tupelo Operations 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 Bill Long to open the meeting with prayer.

Mr. Carr opened the floor for consideration of the December, 2015 regularly scheduled Board Meeting Minutes. **Chip Prestage made a motion that the December meeting minutes be approved as prepared and mailed to Directors for review.** Buddy Palmer 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. Mr. Hendrix stated that his activity since the last Board meeting has been spent working on existing matters already known by the Board and in review of various documents and reports as requested by the TEPA management staff. Mr. Hendrix solicited questions from Directors on matters under his 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:

Industrial: Mr. Holland, Chairman, provided a report to the Board concerning a revision to the newly enacted Service Practice Policies. Mr. Holland further explained the need for the change in the policy and the recommended change, brought by the committee, will delay any accrual of interest paid on customer electric account deposits until the deposit amount is paid in full. Mr. Holland stated that this recommended change had been reviewed by the staff which included Mr. Hendrix's involvement, and that making this change to our policy is consistent with TVA's regulatory guidance and complies with TVA recommended service practice policy framework as it pertains to Distributor policies and rules and regulations.

Upon further discussion, Mr. Holland stated, on behalf of the committee and its review, that this revision is recommended for action by the Board. By action and recommendation of the committee, requiring no second, and upon vote taken, a majority vote was observed for the recommendation of the committee.

Public Relations and Bylaws: Jimmy Gray, Chairman, called on Office Manager, Bruce Williams, to provide to the Board the annual report of member contributions to the "Good Friends" Program. Mr. Williams reported that during calendar year 2015, members contributed a total of \$13,654.17 by rounding up an amount on their utility bill. By Board decision, this amount was contributed to the Salvation Army in Itawamba and Lee counties for various uses conducted by the Armies while following the guidance of the TEPA Board.

Upon hearing the report and discussion of the mechanics of the program, **Cecil Weeks made a motion that another mailing be provided to TEPA members for the purpose of giving other members the opportunity to participate in the program.** Buddy Palmer seconded the motion and upon vote taken, a majority vote was observed.

Insurance: Buddy Palmer, Chairman, informed the Board that by this time, all participants in the retiree medical plan program should have received their new member identification cards. The new cards are required as a part of the change in the benefits to move from the present plan coverage to the Plan G coverage levels. Mr. Palmer also reported that as the new cards were not delivered by January 1, 2016 as stated by AmWins and their affiliates, there were a few retirees that did not receive their card early enough to have them available by their medical provider appointment dates. AmWins and United American did however make contacts with medical providers on behalf of the retiree to satisfactorily provide the new plan benefit details.

An additional follow-up contact will be made with plan participants to make sure they all have received their cards.

The change to a Plan G did not have any impact for the pharmacy plan.

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 November 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 and slightly higher than for the same period last year. Mr. Jarrell reported that his review of TEPA financials continue to show good results...and nothing unexpected.

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 a recap of activities conducted to assist Tippah Electric Power Association to restore power after damage due to the December 23 tornado that touched down in their area. TEPA sent 21 workers and 11 pieces of construction equipment to assist Tippah.
- Informed the Board that we have included in two (2) monthly electric bill statements a summary of Service Practice Policy changes and how to find out more information concerning the new policies.
- Provided a summary of employee and retiree contributions at the Christmas party to area food pantries.
- Informed the Board of a 1,000 kW solar installation for the production of electricity. The company owning the facility will request connection to the TEPA system in order for the sales of electricity to TVA. The incentive through electric sales this year is 4 cents per kilowatt-hour which will decline and completely go away in future years.
- Made request to the Board to schedule a future presentation to the Board. The primary message from TVA will address the strength of the association and service to its members.
- Informed the Board of a request by the CDF to investigate the provision of street lighting within that area of the Harry Martin Industrial Park that is served by TEPA. Additional topics were discussed with CDF that may include a joint effort among TEPA, the CDF, industries located in the industrial park area, and Prentiss County Electric Power Association for the provision of lighting and electric service to lighting in areas of the industrial park outside the TEPA area.
- Provided preliminary information to the Board concerning the process for preparing a TEPA corporate budget and budgeting process.
- Provided information to the Board for their review and approval for an additional staff position not presently included on staff. The new position will be titled "Business and Information Technology Support Specialist". A formal job description and a separate list of the primary duties were provided to Directors for their review and consideration. Upon the provision of these items and general remarks by General Manager Long in support of adding the position and the request for Board approval to do so, **Steve Holland made a motion that the request by the General Manager to add this staff position be approved and that the staff proceed with implementing the new position.** Buddy Palmer seconded the motion. After discussion among Directors concerning the motion and second on the table, and upon vote taken, a majority vote was observed.

Matters of Mutual Concern: There were no matters for discussion.

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

Pat Carr, President

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