

Unofficial Minutes until Board Approval

February 9, 2017

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD JANUARY 12, 2017

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, January 12, 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	Jim Gray	Pat Carr
Guy Harris	Steve Holland	John McFerrin
Chip Prestage (A)	Don Knight	Jimmy Gray
Brenda Goff Shumpert	Don Spradling	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 F. G. Wiygul to open the meeting with prayer.

Mr. Carr opened the floor for consideration of the December 2016 regularly scheduled Board Meeting Minutes. **Don Knight 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 called on John McFerrin to introduce our guest, Mr. Ty Harrell. Mr. Harrell represents the Cooperative Finance Cooperation (CFC) which provides financing and other services to member owned electric cooperatives. After Mr. McFerrin introduced Mr. Harrell, Mr. Harrell provided a power point presentation outlining the many services available to TEPA through membership in CFC. Service include but are not limited to providing financing for Cooperative projects and expansion, budget and equity models, Key Ratio Trend Analysis (KRTA) which describes the relative health and comparison of important business parameters, and CFC contribution programs to electric power association employee training and member youth leadership programs.

Hearing the presentation by Mr. Harrell and Director McFerrin's input for the relevance of membership and benefits to be enjoyed by the Association, Chairman Carr inquired if Directors had questions for Mr. Harrell concerning CFC and the benefits to TEPA should the Board vote to join the cooperation. Following many good questions by directors, **Buddy Palmer made a motion that TEPA request membership and file an application to join the CFC.** F. G. Wiygul seconded the motion and upon vote taken a majority vote was observed.

Chairman Carr and other Directors invited Mr. Harrell to stay for the rest of the meeting and to join us for a meal afterwards. Mr. Harrell declined in order to travel to participate in a previously planned family event.

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.** Don Knight seconded the motion and upon vote taken a majority vote was observed.

Upon the completion of the Executive Session, **F. G. Wiygul made a motion that the Board move out of Executive Session.** Buddy Palmer seconded the motion and upon vote taken a majority vote was observed.

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 members to provide annual reports for several member programs and work areas at TEPA: Bruce Williams provided a report on member deposits for our new Service Practice Policies (SPP) and specifically the interest rate and the amount of interest earned to date on member deposits. Bruce stated that the rate being earned is 0.28% which produced \$11,000 during the previous year. The earnings rate will continue for the ensuing year.

Steve Tarpley then reported on two (2) member program areas namely the Good Friends Program and the Youth Leadership Program sponsored by the Electric Cooperatives of Mississippi. He reported the financial impact of the Good Friends program in both Lee and Itawamba County. TEPA member contributions to the Good Friends program were \$8,512.10 and \$4,790.25 respectively for the calendar year 2016. As to the Youth Leadership program, Mr. Tarpley explained that youth from seven (7) area high schools served by TEPA are selected to participate in the program to travel to Jackson, MS and Washington D.C. to participate in the program. Mr. Tarpley explained the process of how the students are chosen and reminded the Board of the good feedback and experiences of past participants.

Both Mr. Williams and Mr. Tarpley answered questions from Directors about the respective programs sponsored and conducted by TEPA.

Buildings and Grounds: Mr. Knight, Chairman, called on Bill Long to provide information to the Board concerning progress for our new office security addition. Long reported to the Board that beginning January 19, 2017, uniformed, armed guards will be present at the Fulton

and Tupelo offices for the enhanced protection of members, employees and the facility premises.

Long reported that there is no new information or final information to report at this time concerning the sale of the South Gloster Street (old office building facility). We still have three (3) individuals interested in portions of the property and hopefully an agreeable arrangement can be negotiated soon.

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

- net income for the 5 months of FYE 2017 was \$1,212,409 greater than for the same period last year
- net income for the month of November 2016 was \$7,508 compared to a loss of \$238,726 for the month of November 2015
- for the 5 months of FYE 2017, compared to the same period last year, kilowatt hours sold increased by 6.18%
- 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 November 2016
- Mr. Jarrell also highlighted other accounting details that affected our monthly report. Mr. Jarrell emphasized that TEPA continues to enjoy a strong and steady report for the month of November 2016

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

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

- As a matter of record, Directors were informed that the notice for the Board meeting on 12 January, 2016 were mailed at the Tupelo Post Office on 4 January, 2017. As expressed by most of the group of 15 Directors, most had not received the mailing by the meeting date. Due to the poor mail service requiring more than 9 days to receive mail (and some have been 21 days to receive), all minutes and meeting agendas will be emailed except for two (2) directors...and theirs will be hand delivered along with other office reports that are being provided to them.
- Provided information to the Board concerning distribution of new user cards for the retiree pharmacy program. New cards were to be delivered to all participants (96) before January 1, 2017. On the first, we experienced 22 of the 96 users that confirmed to us that they had not received their new cards. At the time of the Board meeting, four (4) retirees still had not received their new cards. Efforts are underway to expedite distribution of those cards. A special procedure has been put in place by AmWins to assist retirees that have need for processing payment of their pharmacy needs but who have not received their cards to date.
- Informed Directors of the Electric Cooperative of Mississippi Legislative Reception that will be held in Jackson, MS, on January 30, 2017. All Directors are invited and encouraged to attend for the ECM informational session and the reception for our elected officials afterwards.
- Provided the Board with information concerning the circuit outage that occurred on January 11 that affected Wal-Mart and other large commercial loads near the Barnes

Crossing Mall. The outage resulted from high winds that occurred on that day and contact between a circuit conductor and a nearby service pole. The interruption lasted for approximately 1 hour.

- Long informed the Board that a contact had been made to TEPA by a representative of the Tupelo High School Band requesting a donation from TEPA. The band has been invited to travel to Washington D.C. and participate in President Trump's inaugural parade. The band has advertised its intent to raise \$100,000 for the purpose of participating in the activity. Discussion ensued among Directors for participating in this effort and at what amount. After discussion, **Steve Holland made a motion that TEPA contribute \$500 to the Tupelo High School Band for participation in this endeavor.** Cecil Weeks seconded the motion. During discussion of the motion, **Buddy Palmer made a substitute motion that the contribution amount be increased to \$1,000.** Don Knight seconded the motion and upon vote taken, a majority vote was observed.

Matters of Mutual Concern:

They're being no further business, **Don Spradling made a motion that the February 2017 Board meeting be held at the Tupelo Headquarters.** Don Knight seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

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