

Unofficial Minutes until Board Approval

February 8, 2017

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD JANUARY 11, 2018

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, January 11, 2018, at 5:00 p. m. The following directors were present:

Class of 2018

Jim Gray
Steve Holland (A)
Don Knight
Pat Spradling
Cecil Weeks

Class of 2019

Pat Carr (A)
John McFerrin
Jimmy Gray
Buddy Palmer
Malcolm Wesson

Class of 2020

Lynn Turner
Guy Harris
Chip Prestage
Brenda Shumpert
F. G. Wiygul, Jr.

(A)—Not present

(T)—Participated by Telephone Conference

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

Vice-chairman Wiygul called the meeting to order and called on Cecil Weeks to lead the Board in offering an opening prayer.

Mr. Wiygul then opened the floor for consideration of the December 2017 regularly scheduled Board Meeting Minutes. **Chip Prestage made a motion that the December 2017 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. Wiygul then inquired if there was a need for an Executive Session. Mr. Hendrix confirmed that an Executive Session was needed. **Guy Harris made a motion that the Board enter into an Executive Session.** Don Knight seconded the motion and upon a vote taken a majority vote was observed.

Upon the conclusion of discussion in Executive Session, **Guy Harris made a motion that the Board go out of Executive Session.** Buddy Palmer seconded the motion and upon vote taken a majority vote was observed.

Mr. Hendrix continued to report to the Board and explained his involvement with other affiliate cooperatives being members of Electric Cooperative Bar Association of NRECA and the chair of the TVPPA legal committee for 2018 and that he had been selected to moderate this year's TVPPA Legal Conference, which said meeting date coincides with TEPA's February Board meeting. The Association has in years past sponsored Mr. Hendrix's attendance at this seminar. Hearing Mr. Hendrix's request for sponsorship and the need to be absent from the TEPA Board meeting, but present by telephone conference, **Buddy Palmer made a motion that Mr. Hendrix's recommendation for both the sponsorship and his absence from TEPA's February Board meeting to allow Mr. Hendrix the opportunity to fulfil his duties to the TVPPA Legal Conference, be approved.** Don Knight seconded the motion and upon vote taken a majority vote was observed.

Mr. Hendrix had no legal matters or business items requiring Board consideration at this time.

Committee Reports:

Mr. Wiygul then called upon committee chairmen to report to the Board on behalf of their respective committees, and to report results of other meetings and work sessions held by their respective committees:

Public Relations and Bylaws: Jimmy Gray, Chairman, acknowledged that his committee had met today to discuss TEPA's use and participation in the Today in Mississippi publication managed by the Electric Power Associations of Mississippi (ECM), and that the committee had information and a recommendation to present to the Board. Mr. Gray called upon Mr. Cecil Weeks who had been drafted by the committee as spokes-person for the committee for this particular study and subsequent recommendation.

Mr. Weeks provided a very thorough summary of the committee's earlier work...including facts pertinent to the publication itself, the participating electric cooperatives throughout the state, the typical content of the publication, readership statistics, and the cost of participation with different publication options.

In addition, Mr. Weeks communicated that the committee had studied specifically an alternative, and less costly product, that would utilize the Statewide staff for production of the publication, and provide to TEPA a link for accessing a digital version of the Today in Mississippi...with internal pages devoted to the publication of only TEPA member news.

Cost information was presented to the Board for participation with the normal paper printed and mailed via the U. S. mail service (the normal product), or; production of only the digital version. The latter cost being approximately 42% of the normal printed version cost.

After a thorough discussion of TEPA's options for participation, and based upon the study, conclusion, and recommendation of the committee, **Mr. Weeks stated that the Committee recommends that TEPA begin participation in the Today in Mississippi publication sponsored by the ECM utilizing and distributing the digital version only for the ensuing year.** Procedures requiring no second, and upon vote taken a majority vote approving the motion was observed.

Mr. Williams and Mr. Tarpley were then recognized by Mr. Gray to present information concerning end-of-year reports for certain programs sponsored by TEPA. Mr. William began by reporting statistics for Member Deposits held by the Association including the amount of

interest accrued by members for calendar 2017, and the rate of interest to be used for accruing the interest component for the year 2018. Mr. Williams fielded several questions from Directors concerning this part of our Service Practice Policy to members.

Mr. Tarpley was then recognized and presented reports for the Good Friends and the Youth Leadership Programs. Among other facts presented, Mr. Tarpley stated that a total amount of \$13,048.11 was voluntarily donated and paid by members through their monthly electric bill. All member donations are provided to the Salvation Army organizations in Lee and Itawamba counties for use in their respective programs.

Mr. Tarpley provided the names of the students selected by area high schools for consideration and further interviewed by the ECM Youth Leadership Selection Committee which includes staff from the Statewide Office as well as staff from other electric cooperatives. Mr. Tarpley provided the names of the students selected for participation in the future Jackson Mississippi and Washington D.C. group trips later this year.

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 2017. Mr. Jarrell explained various details of the report and provided the following specific details and information:

- net income for the five (5) months in FY 2018 was \$1,660,031 which was \$1,782,814 less than the net income for the same period last year
- for the five (5) months of FY 2018, compared to the same period last year, kilowatt hours sold decreased by 5.1%
- Mr. Jarrell also highlighted other accounting details that affected our monthly report and indicated that the sales for the month of November 2017 even though less than November of 2016, mostly due to milder weather conditions, were still strong and that TEPA continues to do well and enjoy a positive statement of income beginning fiscal year 2018. Mr. Jarrell further stated that November is typically a transition month between cooling and heating seasons and variable weather conditions can affect energy sales causing net income to fluctuate significantly.

Directors had questions for Mr. Jarrell which were answered thoroughly by he and Mr. Williams concerning the decline in net income due mostly to the comparison between energy sales during November 2017 compared to November 2016 sales...the latter year being exceptionally high due to a hot, and dry summer and fall during calendar 2016.

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

- Provided the Board with information concerning the recent cold spell at the first of January. This cold period resulted in very high demands for power and energy from the TVA power supply network establishing a system peak demand for power of 31,740 Megawatts. Also during the same period, TEPA's system load reached 256 Megawatts. Emergency load curtailment, Step 20, was activated by TVA resulting in the preparation for contact with TEPA large industry should the need arise for further curtailment needed by TEPA.
- Alerted the Board that TEPA is preparing for an additional winter weather storm expected to pass through the TEPA service area early Friday morning, January 12

between the hours of 5 a.m. to 1 p.m. Assistance will be available from neighboring electric cooperative if the need arises.

- Presented the Board with information provided to TEPA requesting participation in a ceremony for awarding Mr. Steve Holland with the Red Raspberry Humanitarian Award by the Regional Rehabilitation Center. Funds raised will go to and be used by the rehab center and its services provided to the members of the community. After some discussion, **Malcolm Wesson made a motion that the subject be tabled for further discussion at a future Board meeting.** Cecil Weeks seconded the motion and upon vote taken a majority vote was observed.
- Long presented information to the Board announcing a Financial Workshop for Directors to be conducted by CFC on February 8-9, 2018, in Jackson, Ms. Directors expressing interest in attending were Buddy Palmer and Brenda Shumpert. Final arrangements for the activity will be completed at some future date.
- Provided the Board with the status of the Lee Solar, distributed generation project located in west Tupelo near the Bissell Substation. All contractual and service arrangements have been completed with the Lee Solar project owners. An operational date has not been provided to TEPA by the project developers. The unit is a nominal 1,000 KVA unit with approximately 750 kW being conducted and purchased by TVA through TEPA's distribution circuit adjacent to the project.
- Reminded the Board of the announcement by the Toyota-Mercedes project developers that their new facility will be located in the Huntsville, Alabama region. Local North Mississippi Economic and Community leaders anticipate the growth of more Tier 1 and 2 Suppliers in the TEPA electric supply region due to the new project in the Huntsville area.

Matters of Mutual Concern:

There were no matters discussed.

There being no further business, **Guy Harris made a motion that the February 2018 Board meeting be held at the Tupelo Headquarters.** John McFerrin seconded the motion and upon vote taken a majority vote was observed.

F. G. Wiygul, Vice-president

Don Knight, Secretary-Treasurer