

Unofficial Minutes until Board Approval

August 11, 2016

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

The Board of Directors of the Tombigbee Electric Power Association met at the Fulton Branch Office, Fulton, MS, on Thursday, July 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

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

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 May 2016 regularly scheduled Board Meeting Minutes. **John McFerrin made a motion that the May meeting minutes be approved as prepared and mailed to Directors for review, and that the cancelation of the June meeting due to the passing of Director Tommy Estes be approved.** Chip Prestage seconded the motion and upon vote taken, a majority vote was observed.

Mr. Carr then inquired of the Board and staff if there was a need for an Executive Session. Mr. Hendrix responded that he had matters that should be reported in executive session. As a result, **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.

After completion of information provided by Mr. Hendrix and completion of discussions in Executive Session, **Buddy Palmer made a motion that the Board conclude the Executive Session.** Chip Prestage 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 committees:

Nominating: Cecil Weeks, Chairman, reported to the Board that the committee had met in a recent work session for the purpose of recommending members for this year's ballot and nominees for the 2016 Director election. Mr. Weeks reported that in addition to the five (5) incumbents already on the Board and up for re-election this year (Carr, Johnson, Palmer, Jimmy Gray, and McFerrin), the committee presents for nomination additional names as directed by the Bylaws in Lee County Jerry Adams (Saltillo), Tom Henry "Punnie" Lyles Jr. (Shannon), W. K. Webb (Saltillo), Danny "Frog" Graham (Fairview), and Kelcy Shields (Mantachie).

In recognition of the director seat made vacant by the recent death of Director Tommy Estes, **Don Spradling made a motion that Mrs. Myra Estes, the spouse of Tommy Estes, be appointed to fill the vacancy for the remainder of the term, in accordance with the Bylaws.** Don Knight seconded the motion. Discussion ensued among Directors concerning the motion. Mr. Hendrix explained all options as described by the Bylaws for addressing the vacant director seat. After discussion and upon vote taken, a majority vote was observed.

Buildings and Grounds: Mr. Don Knight, Chairman, gave a summary of the project to incorporate improvements to the Fulton Branch Office facilities. Mr. Knight emphasized that the project components are finished and that the project was completed within the budget allocated and approved by the Board. Mr. Knight then called upon David Kelso, Branch Office Manager who provided more details on the improvements made. Mr. Kelso also thanked the Board for approving the project and its improvements.

Purchasing: Mr. Jack Johnson, Chairman, reported that the staff has not completed the preparation of the equipment budget worksheet for fiscal year 2017 and wishes to continue this topic until a future meeting.

Personnel: Mr. Spradling, Chairman, stated that the committee has met on multiple occasions to review existing policies that govern employee benefits. One particular benefit studied is employee sick leave policy. Mr. Spradling further reported that after significant review and study, the committee recommends to the Board for consideration that the employee sick leave program be changed immediately to increase the maximum sick leave accrual balance from 480 hours to 1040 hours. Mr. Spradling called upon Mr. Hendrix to summarize the work of the committee and to present a recommendation from the committee for revising TEPA's current policy for use of sick leave. **Mr. Hendrix was recognized and presented the following language, as considered, approved and recommended by the committee to revise the current existing sick leave policy and to be incorporated immediately to express:**

- 1.) An employee may accrue sick leave hours up to a maximum cap of 1,040 hours; and,
- 2.) Upon the employee's retirement, any un-used sick leave balance, up to the maximum of 1,040 hours, may be used by the employee to increase their service time for the calculation of their retirement benefit, as compared to a 2,080 work hours per year basis, however, said balance, if any, shall not count toward any eligibility requirement for early retirement.

Having heard the recommendation of the committee, as presented for the committee by Mr. Hendrix, and upon the recommendation of the committee as expressed by Chairman Spradling, and upon vote taken, a majority 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 May 2016. Mr. Jarrell explained various details of the report and provided a summary of the Monthly Highlights report. Our gross profit margins are good; however, our gross margins from electric sales is slightly less than for the same period last year. Mr. Jarrell reported that his review of TEPA financials continue to show good and healthy results for fiscal year.

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 details of assistance provided to the electric Cooperative, Kenergy, near Owensboro, Kentucky. The call for assistance came through the Electric Power Associations of Mississippi Emergency Assistance Program. TEPA sent 12 workers and 7 construction vehicles to assist Kenergy. The trip lasted 3 days. Northcentral EPA and Tallahatchie Valley EPA also sent workers to nearby areas of Kentucky. Damage was the result of high velocity straight line winds.
- TEPA has been requested again this year to participate in an Exposition sponsored by Create and the CDF. It will be a two-day event focused on junior high grade levels and will highlight various employment opportunities and career paths of business and industry in the region. TEPA participated last year as well as Pontotoc EPA, New Albany, and Tupelo. TEPA will offer a couple of employee's participation as well as at least two pieces of construction equipment.
- Alerted the Board to watch for notification of participation in the EPA of MS Annual Meeting to be conducted in mid-September. All travel details will be coordinated by the TEPA staff.
- Provided the Board with information concerning the planning and development by the U. S. Department of Interior and other for a "Chickasaw Heritage Center. TEPA has been asked to participate in making some modifications to area distribution circuits that exist on the property to be developed. The same circuits will likely be used to serve the electrical needs of the project and its permanent facilities.
- Provide the Board with general information about entry level job opportunities available in the near future.
- In addition to supplemental written notification provide to the Board, Long presented information concerning the filling of two staff level positions: Business and IT Support (Russ Tally) and a System Engineer, a recent engineering graduate (Alex Carden). This resulted in two additional staff.

Matters of Mutual Concern: There being no further business, **Don Spradling made a motion that the August 2016 Board meeting be held at the Tupelo Headquarters.** Chip Prestage seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

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