

Unofficial Minutes until Board Approval

April 14, 2016

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD MARCH 10, 2016

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, March 10, 2016, at 5:00 p. m. and there were present the following directors:

Class of 2016

Pat Carr (A)
Jimmy Gray
Jack Johnson (A)
John McFerrin
Buddy Palmer (A)

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 (A)
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

Don Spradling called the meeting to order and called upon Tommy Estes to open the meeting with prayer.

Mr. Spradling opened the floor for consideration of the February, 2016 regularly scheduled Board Meeting Minutes. **Tommy Estes made a motion that the February meeting minutes be approved as prepared and mailed to Directors for review.** Chip Prestage seconded the motion and upon vote taken, a majority vote was observed.

Mr. Spradling 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. Spradling then asked Mr. Hendrix if he would proceed with his report to the Board. Mr. Hendrix responded and gave the status of the mediation meeting that has been scheduled to be conducted on April 6, 2016, with the TEPA industrial member involved. A full report of the results of the meeting will be brought back to 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:

Executive: Mr. Spradling, substituting for the Chairman Carr, introduced Jason Dickinson and Jeff McNeese, who were invited by the Board to present a program explaining Mississippi Law as it pertains to individuals possessing firearms. Together, both speakers summarized Mississippi law as it applies to state residents and their possession and use of firearms. In addition, the speakers highlighted events that have occurred through the years at various electric Cooperatives that have involved firearms.

After the presentation, and after the speakers left the meeting, Directors discussed the presentation as it related to TEPA's Security Policy, which includes guidelines for possessions of firearms at the workplace. At the conclusion of discussion, **John McFerrin made a motion that the Executive Committee review TEPA Security Policy and to bring a report back to the Board for discussion.** Tommy Estes seconded the motion and upon a vote taken a majority vote was observed.

Buildings and Grounds: Mr. Knight, Chairman, was not present and Mr. F. G. Wiygul reported on behalf of the Committee. Mr. Wiygul gave a brief summary of review of the progress at the Fulton Branch Office improvements and any additional work that needs to be done. Mr. Wiygul called on David Kelso, Fulton Branch Manager, to expand on further details for the project as approved and some additional improvements needed. Mr. Kelso described additional work activity to repair or replace the concrete drive area underneath and adjacent to the drive-through pay-window area. After a description of the work to be done by Mr. Kelso and Committee members, **and speaking on behalf of the Committee, F. G. Wiygul stated that the Committee recommends the expenditure of approximately \$30,000 to construct the improvements identified by Mr. Kelso.** Needing no second since the recommendation comes from the Buildings and Grounds Committee, a vote was taken and a majority vote of approval was observed.

Personnel: Don Spradling, Chairman, called on Bruce Williams to give a report for implementation of the employee credit union program.

Mr. Williams reported that since the Board approved participation in the Electric Power Association of Mississippi Employee Credit Union ("the Program") in February 2016, four employee meetings had been conducted (2 at Tupelo and 2 at Fulton) for the purpose of explaining the services offered to TEPA employees by the Program. Many questions were asked by employees and goodly number of employees proceeded to sign up for membership and contributions by payroll deduction. Mr. Williams provided other information about participation in the Program by employees.

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 January 2016. Mr. Jarrell explained various details of the report and provided a summary of the Monthly Highlights report. Through this month, our Gross Electric Sales Margin is slightly higher than for the same period last year. Our Net Income however, is consistent with but slightly lower than for the same period last year, mostly due to milder seasonal temperatures and the reduction in our late payment charge structure. During this month, Operating Expenses are somewhat higher than for the same period last year which contributed to the slight reduction in Net Income. Mr. Jarrell reported that his review of TEPA financials continue to show good and healthy results for this month.

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

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

- Reminded the Board that the April 2016 Board meeting will start at 5:30 p. m. due to the renewal of daylight savings time as determined by the Board. As a result, **Mr. Jimmy Gray made a motion that the Board continue to meet at 5:00 p. m. even during daylight savings time.** F. G. Wiygul seconded the motion and upon vote taken, a majority vote was observed.
- Provided a report to the Board concerning TEPA's participation this year in the ICC Foundation presentation of the Bluegrass Festival held on campus in the Davis Event Facility. TEPA participated with a one-time \$5,000 contribution to the Foundation.
- Provided the Board with the status of new/revised wording to the enabling legislation which re-writes the "electric power association act". SB 2089 and HB 1139 have both successfully past their respective house to be considered and voted on by the other house. The bills are expected to pass and be signed by the Governor. Brief statements were provided to Directors explaining what the bills do for electric member cooperatives.
- Gave a brief summary of discussion with representatives from Norbord who are planning a plant expansion to add approximately 1,000 kW of new load to the plant facilities. The present 8,500 kW load is expected to grow by approximately 500 kW. A few jobs will also be added. Implementation is expected in approximately 1 year. No new power supply facilities will be required except for an added electric service/small transformer bank just for the expansion. The new expansion is located on the south side of the main plant site and is considerable distance separated from the present and main power supply.
- Informed the Board of a planned outage of the Turner Park substation planned for early April to allow TVA clearance to complete portions of the new 161 kV transmission line from Sherman to Saltillo. The outage will last 2-3 days according to TVA estimates. TEPA will supply all of the Turner Park load from the neighboring Barnes Crossing Substation. No TEPA customers should be out of service during this TVA work period unless unforeseen trouble arises.
- Provided the Board with a general overview of our Lineman Training efforts for 4 new lineman trainees. All passed this crucial early training step in order to proceed with their line training schedule.
- Provided the Board with an update of interview activities for the new Business and Information Technology Support job approved for implementation. Two (2) internal employee applicants have been interviewed as well as three (3) outside applicants.
- Presented the Board with information for consideration and approval of an additional System Engineer position. This added position would provide services for both the Tupelo and the Fulton Office function. A job description was provided to the Board. Justification for the added position was provided to the Board during Long's request for consideration of the added position. The Board took the recommendation under advisement for further discussion and consideration.

Matters of Mutual Concern: John McFerrin was recognized by the Chairman to address the Board. Mr. McFerrin made a request for the Board to consider study and possible revisions to some of its present employee benefit policies. In particular, policies that define benefits in sick leave, bereavement leave, and similarly related policies were briefly discussed.

As a result of the significant expression of Director interest in the matter, **John McFerrin made a motion that the Personnel Committee meet and discuss the contents of our policy(s) and possible recommended changes or additions to the policy.** Steve Holland seconded the motion and upon a vote taken, a majority vote was observed in support of the study.

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

Don Spradling, Vice-President

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