

Unofficial Minutes until Board Approval

April 12, 2018

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD March 8, 2018

The Board of Directors of the Tombigbee Electric Power Association met at the Fulton Office, Fulton, MS, on Thursday, March 8, 2018, at 5:00 p. m. The following directors were present:

Class of 2018

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

Class of 2019

Pat Carr
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 (wife carried to hospital)

(T)—Participated by Telephone Conference

Also present:

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

Chairman Carr called the meeting to order and called on Buddy Palmer to lead the Board in offering an opening prayer.

Mr. Carr then opened the floor for consideration of the February 2018 regularly scheduled Board Meeting Minutes. **Buddy Palmer made a motion that the February 2018 meeting minutes be approved as prepared and provided to Directors for review.** Lynn Turner 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 confirmed that an Executive Session was not needed to address his business. Mr. Carr asked Mr. Hendrix to continue with any matters that he had to report. Mr. Hendrix stated that he had no matters requiring Board review or approval and that his activities during the last month primarily consisted of his efforts in support of management and review of contract and other related issues.

Committee Reports:

Mr. Carr then called upon committee chairmen to report to the Board on behalf of their respective committees and committee activities:

Public Relations and Bylaws: Jimmy Gray, Chairman, called upon Bill Long for a report. Long reported that TEPA's request to the ECM Statewide Newspaper group for a special opportunity to produce a temporary TEPA digital version of the Today in Mississippi publication, with the assistance of the Newspaper staff, be approved for the remainder of calendar 2018. Long stated that the review by the committee is still in progress and that additional questions remained to be provided to the newspaper committee before the project could be started. There were no questions for Long or the PR&B Committee concerning the status of the request.

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 2018. Mr. Jarrell explained various details of the report and provided the following specific details and information:

- net income for the seven (7) months in FY 2018 was \$318,307 which was \$2,543,809 less than the net income for the same period last year
- for the seven (7) months of FY 2018, compared to the same period last year, kilowatt-hours sold decreased by 0.73%, which is a significant increase from last month's cumulative energy sales.
- Mr. Jarrell also highlighted other financial details that affected our monthly report and indicated that the sales for the month of January 2018, were slightly less than January 2017, mostly due to milder seasonal weather conditions. Mr. Jarrell reported that our sales numbers are expected to improve as the year progress and that variable weather conditions can rapidly change the mild seasonal weather and the resulting lower sales. TEPA still maintains a strong financial financial condition.

Manager's Report:

Long reported to the Board on the following matters:

- Reported that that participation in TEPA's support of the Blue Grass Concert, supporting ICC's effort to provide student grants for tuition, was very well attended and successful this year. TEPA was able to place all but two of the 250 complementary tickets provided by ICC.
- Our AMI system change out to the new RF type meters is going well and on schedule. To date we have approximately 9,400 new meters in operation (about 25% of our total residential meters), and the new meters are being installed at the rate of about 150 per day. Barring unforeseen problems, the project should be finished on schedule.
- The Lee Solar solar array project is essentially complete and in operation. The device is rated 750 kilowatts and will produce enough electricity to supply approximately 100 average size home during daylight hours. TVA purchases the entire amount of electricity produced by LS. LS makes use of our distribution circuit at their sight as part of the path back to TVA's transmission system. LS has paid TEPA for the full cost of connection to our system, and also pays TEPA monthly charges to support operation, maintenance and other costs incurred by TEPA.

- High bill complaints due to the abnormally cold periods of weather in January and February have simmered down...somewhat.
- The TVA Board will be meeting in Tupelo during October this year. Details will be reviewed for a possible meeting or reception time with the Board.
- Talks continue with ICDC and others to pursue a new industry in Itawamba County. The industry will be a wood consuming plant, supporting approximately 100 jobs in the plant. The new plant load is estimated to be approximately 13-15 Megawatts. The plant will require a new substation provided by TEPA costing approximately \$3 Million and construction of approximately 4 miles of transmission line that will be owned and operated by TVA. Special service arrangement agreements and satisfactory payment arrangements will be required prior to any expenditure by TEPA. The estimated operation of the plant, if located, will be in the 2021 or 2022 time frame.
- Additional preliminary customer prospects are being pursued that may utilize the site prepared nearby the waterway...the old Blue Fire site.

Matters of Mutual Concern:

There being no further business, **Chip Prestage made a motion that the meeting adjourn and that April 2018 Board meeting be held at the Tupelo Branch Office.** John McFerrin seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

Don Knight, Secretary-Treasurer