

Unofficial Minutes until Board Approval

June 8, 2017

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD MAY 11, 2017

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, May 11, 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 (A)	Jim Gray	Pat Carr
Guy Harris	Steve Holland	John McFerrin
Chip Prestage	Don Knight	Jimmy Gray
Brenda Goff Shumpert (A)	Pat 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 (A)
 Steve Tarpley, Member Services Director
 Bruce Williams, Tupelo Office Manager
 William Long, General Manager

Chairman Carr called the meeting to order and acknowledged that the opening prayer for the Board meeting had already been offered in another setting.

Mr. Carr then opened the floor for consideration of the April 2017 regularly scheduled Board Meeting Minutes. **John McFerrin made a motion that the April 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. Carr then presented for Director consideration if there were any need for an Executive Session. Hearing none, Mr. Carr requested that Mr. Hendrix continue with his report to the Board. Mr. Hendrix reported to the Board that discussions and negotiations with the industrial account at E. R. Carpenter had been resolved according to the direction of the Board as provided to him and the staff. Assurance was provided to the Board by the staff that redundant procedures for identifying abnormal billing events have been put in place to prevent under billing occurrences in future for large industrial accounts.

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:

Rates: John McFerrin, Chairman, reported to the Board that the committee had met for the purpose of studying the need for a rate increase in conjunction with rate adjustments planned by TVA in October of this year. Mr. McFerrin stated that after committee review of TEPA's present cash holdings and projected capital expenditures for the next 5 years, committee recommends no increase in retail rates in addition to the TVA increase in October. Mr. McFerrin further stated that the committee would continue to monitor the financial state of the Association during the next 6 to 12 months and provide a recommendation at that time.

Executive: Chairman Carr called on Bill Long to provide information concerning a recent committee meeting. Long reported that the committee is continuing to study the Employee Gift Leave Policy and its interaction with other policies...for example the Long Term Disability Benefit and how its provisions may overlap with the Gift Leave Program. Long further stated that more study is needed before remedies are presented to the Board for consideration and possible action.

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

- net income for the 9 months of FYE 2017 was \$126,715 greater than for the same period last year
- net income for the month of March 2017 was \$3,076,240 compared to a \$2,949,525 for the month of March 2016
- for the 9 months of FYE 2017, compared to the same period last year, kilowatt hours sold increased by 1.92%
- Mr. Jarrell also highlighted other accounting details that affected our monthly report and indicated that the sales for the month of March were strong and that TEPA continues to enjoy a strong nine (9) months during this 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:

- Informed the Board that the TEPA employees provided a birthday celebration for Mr. Jim Allen and Mr. Doyle Young on May 4. Mr. Allen will celebrate his 90th birthday on May 7 and Mr. Young will celebrate his 86th birthday on May 5. The event was well attended.
- Provided an update of planned scheduling details for installation of an Outage Management System (OMS). The system will be provided as a feature of the new Business Portal tool that will facilitate better use of our customer information system.
- Reported that TEPA provided assistance to the Natchez Trace Electric Power Association due to storms that hit that area on April 30. We sent a combined workforce of 14

construction workers from Fulton and Tupelo to assist with the tornado restoration efforts in the Eupora community.

- The TEPA engineering staff provided additional assistance to the CDF in preparing a response to address estimated facilities and cost to serve a projected 21-30 MW new load in the western part of the service territory. A new substation will be required and furnished by TEPA and TVA would provide the 161 kV transmission line extension. If the project is landed, the in-service date will be late 2019.

Matters of Mutual Concern:

There were no matters brought forth for consideration. **F. G. Wiygul made a motion that the meeting adjourn and that the June 2017 Board meeting be held at the Tupelo Office.** Guy Harris seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

Don Knight, Secretary-Treasurer