

# Unofficial Minutes until Board Approval

## December 8, 2016

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

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

Class of 2017

Myra Estes  
Guy Harris  
Chip Prestage  
Brenda Goff Shumpert  
F. G. Wiygul, Jr.

Class of 2018

Jim Gray  
Steve Holland  
Don Knight  
Don Spradling  
Cecil Weeks

Class of 2019

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

(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 Long, General Manager

Vice-president Don Spradling (in Mr. Carr's absence) called the meeting to order and called on F. G. Wiygul to open the meeting with prayer.

Mr. Spradling opened the floor for consideration of the October 2016 regularly scheduled Board Meeting Minutes. **Buddy Palmer made a motion that the October meeting minutes be approved as prepared and mailed to Directors for review.** Don Knight seconded the motion and upon vote taken, a majority vote was observed.

Mr. Spradling then inquired of the Board and staff if there was a need for an Executive Session. Mr. Hendrix responded that there were no matters for discussion requiring an executive session.

Mr. Hendrix continued by giving the Board a status report for the construction work completed at the Tombigbee Lumber Company. Mr. Hendrix also reported on a loss suffered by the same company due to a fire in the general proximity of TEPA's construction and maintenance work. An investigation is underway to determine if the events are in any way connected with one another. A report of the matter has been communicated to TEPA's insurer.

#### Committee Reports:

Mr. Spradling 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:

**Personnel:** Mr. Spradling, Chairman, reported that he had three (3) matters to report to the Board concerning staff benefits as considered and studied by the committee. **Mr. Spradling summarized the following action recommended and approved by the committee:**

- **that all employees be given a 3 percent cost of living adjustment increase (COLA) beginning January 2017; and**
- **that all employees be given a Christmas Bonus of one-weeks' pay, except for employees with less than one year of employment with the Association, whose bonus shall be prorated for the number of days employed during calendar 2016; and,**
- **that the TEPA staff shall organize and conduct a Christmas Party for the Association similar to last year's events**

Hearing the recommendation of the committee as presented by Mr. Spradling, and upon vote taken, a majority vote in support of the committee recommendation was observed.

**Buildings and Grounds:** Mr. Knight, Chairman of the committee reported on matters considered and studied by the committee concerning certain security matters brought to the committee's attention. Mr. Knight provided a general summary of details considered by the committee. In summary, Mr. Knight expressed the committee's recommendation to increase the present security measures for both the Tupelo and the Fulton office by seeking to put in place a security guard in the general cashier/service department areas of both offices. The staff is to work toward securing this service with acceptable provisions as communicated to the staff by the committee during the working session.

Hearing the recommendation of the committee as presented by Chairman Knight, and upon vote taken, a majority vote approving the committee recommendation was observed.

**Public Relations and Bylaws:** Mr. Jimmy Gray, Chairman, was recognized for a report of committee activities and called on Bill Long. Long stated that there were certain program changes underway that affected certain services to TEPA members as provided by joint agreements between TVA and TEPA. Long called upon Steve Tarpley, Member Services Director, to provide the details.

Mr. Tarpley began by providing a brief history of conservation programs sponsored by TVA and TEPA that have been available to TEPA members. Mr. Tarpley further explained that TVA is in the process of discontinuing a portion of its staff support to local power distributors (like TEPA) and other program delivery mechanisms offered previously and provided through the local power distributor network. All existing "Energy Right" programs are in the process of being discontinued. In its place will be substituted the "eScore" program funded by TVA. This effort will be supported by third-party providers that are available to consult with home and business owners for receiving conservation recommendations as well as financing for some efficiency improvement installations...including the use of electric heat pumps. Literature will be available in the TEPA office for member access for information and services available as well as an "on-line" source for assistance through the TEPA and TVA internet web sites.

All existing applications which have been approved to receive services as well as those loans already approved at this time will be honored, processed and completed under the old program guidelines. To be in compliance with TVA's program changes, TEPA discontinued receiving member applications for heat pumps on November 1, 2016. All member applications received before that date will be processed according to previous program guidelines. All applications that meet approval for financing will continue and members have 90 days to complete the unit installation and final inspection.

**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 September 2016. Mr. Jarrell explained various details of the report and provided the following specific details and information:

- net income for the 3 months of FYE 2017 was \$527,411 greater than for the same period last year
- net income for the month of September, 2016 was very strong when compared to September 2015. Net income increased 38.4% when compared to September 2015
- for the 3 months of FYE 2017, compared to the same period last year, kilowatt hours sold increased by 4.94%
- weather has played a major roll and has been a major positive factor in the positive sales and income results for the month of September 2016
- Mr. Jarrell also highlighted other accounting details that affected our monthly report. Mr. Jarrell emphasized that TEPA enjoyed a strong and steady report for the month of September 2016.

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

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

- In Mr. Carr's absence, Long provided to the Board committee assignments previously prepared by Chairman Carr. Long further stated that Directors submitting information to Mr. Carr and Long was utilized by Mr. Carr in his appointments to the committee assignments. A printed list of the committee assignments was provided to the Board.
- Provided general information to the Board concerning minor changes that will be occurring with the active employee health plan and the retiree's health care plan beginning in January 2017.

For the active employees plan, the following changes apply:

- The out of pocket maximum will increase from \$2,300 to \$2,800
- Medical premiums including the admin fee will increase by approximately 1% (TEPA's cost only)
- The premiums for the Vision Plan will increase slightly

For the retiree group...the AmWins Plan, the following changes apply:

- The medical and pharmacy premium will increase by approximately 6% (TEPA's cost only)
- Pharmacy coverage will change from CVS Caremark to Express Scripts

- Provided to the Board information for how to access TEPA's new listing on our web page that lists used equipment that TEPA has for sale to members and others. A handout explaining how to access the site was provided.
- Provided information to the Board concerning assistance provided to the CDF for a new customer prospect for the region. The electric load is represented to be approximately 1,000 kW and an anticipated 50 new jobs for the region.
- Provided general information to the Board concerning the preparation underway to accommodate a planned TVA transmission interruption for TEPA's Guntown 161 kW delivery point. This outage will affect TEPA members in the Guntown, Kirkville, Ratliff, Unity and Centerville communities. With TEPA's completion of the upgraded Mantachie to Centerville 13 kV, distribution circuit, alternate feeds for electricity will be provided and no power interruption will be experienced by TEPA members due to the 3-day TVA transmission interruption needed for repair.

**Matters of Mutual Concern:**

Director Knight was recognized by the chair for a statement. After a brief summary of needs expressed for the installation of an icemaker in the Tupelo crew kitchen area, **Mr. Knight made a motion that the staff purchase and secure the installation of a sufficient capacity icemaker in the Tupelo Office crew kitchen area, and that \$3,000 be approved for the purchase and installation of same.** Buddy Palmer seconded the motion and upon vote taken a majority vote was observed.

They're being no further business, **Guy Harris made a motion that the December 2016 Board meeting be held at the Tupelo Headquarters.** Brenda Shumpert seconded the motion and upon vote taken a majority vote was observed.

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Don Spradling, Vice-President

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