

Unofficial Minutes until Board Approval

December 7, 2017

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD NOVEMBER 9, 2017

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, November 9, 2017, at 5:00 p. m. The following directors were present:

Class of 2018

Jim Gray
Steve Holland
Don Knight
Pat Spradling
Cecil Weeks

Class of 2019

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

Class of 2020

Lynn Turner
Guy Harris
Chip Prestage
Brenda Shumpert
F. G. Wiygul, Jr.

(A)—Not present

(T)—Participated by Telephone Conference

Also present were: Scott Hendrix, Attorney
 Greg Jarrell, Auditor
 Steve Tarpley, Member Services Director
 Bruce Williams, Tupelo Office Manager
 William Long, General Manager

Vice President Wiygul called the meeting to order (President Carr absent from the meeting) and called on Cecil Weeks to lead the Board in offering an opening prayer.

Mr. Wiygul then opened the floor for consideration of the October 2017 regularly scheduled Board Meeting Minutes. **Chip Prestage made a motion that the October 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. Wiygul then inquired if there was a need for an Executive Session. Mr. Hendrix and other Directors confirmed that an Executive Session was not needed. At the request of Chairman Wiygul, Mr. Hendrix continued to report to the Board and stated that he had no legal matters or business items requiring Board consideration at this time.

Committee Reports:

Mr. Wiygul then called upon committee chairmen to report to the Board on behalf of their respective committees, and to report results of other meetings and work sessions held by their respective committees:

Buildings and Grounds: Malcolm Wesson, Chairman, provided a report to the Board concerning the status of certain security measures approved by the Board for installation at the Fulton and Tupelo Offices. Mr. Wesson reviewed the individual measures approved by the Board and stated the schedule that the service providers had made commitment to for installation of the measures and dates for activation. Mr. Wesson also reviewed with the Board details of the presentation made by Mr. Wright representing Renasant Bank and the committees review with him of planned additions to TEPA's security measures. The plan and dates for discontinuing the services of the Advert Company were also presented. Mr. Wesson further stated that vendors providing the recently approved security additions were on schedule for implementation and use. There were no follow-up questions to Mr. Wesson by the Board concerning his report.

Chairman Wiygul identified the need to enter into Executive Session. Steve Holland made a motion that the Board enter into Executive Session. Guy Harris seconded the motion and upon vote taken a majority vote was observed.

The Board then completed discussion and deliberation of the topic under consideration. Chip Prestage made a motion that the Board conclude Executive Session. Don Knight seconded the motion and upon vote taken a majority vote was observed.

Personnel: Speaking on behalf of the Personnel Committee (Chairman Carr was absent), Mr. Prestage made a recommendation that the Board approve the following benefits for TEPA employees and others as applicable and in the same manner as in previous years:

- Organize and conduct a Christmas party on December 9, 2017, for employees and retirees
- Provide a bonus to all employees equal to one week's pay, except prorated pursuant to actual number of normal workdays worked during the year if not employed the entire year
- Implement a 3 percent cost of living adjustment beginning January 2018 for all employees, including the Board CPA and the Board Attorney

Hearing Mr. Prestige's recommendation on behalf of the Personnel Committee, Don Knight seconded the motion

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

- net income for the 3rd month in FY 2018 was \$1,184,295 which was \$1,196,049 less than the net income for the same period last year
- for the 3rd month of FY 2018, compared to the same period last year, kilowatt hours sold decreased by 7.39%
- Mr. Jarrell also highlighted other accounting details that affected our monthly report and indicated that the sales for the month of September 2017 even though less than September of 2016 were still strong and that TEPA continues to enjoy a positive statement of income beginning fiscal year 2018.

Directors had no questions or comments for Mr. Jarrell.

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

- Reviewed the request by Furr's Volunteer Fire Department for the purchase of a replaced chassis (interested in old #17, a Fulton unit, being replaced. After discussion, the Board agreed that this particular VFD does sufficient work in the TEPA area to warrant participation in the Board approved policy for "half-price" purchase.
- Informed the Board that a meeting is planned for the retiree group to visit the AmWins medical/prescription program. The meeting is planned for November 30. Mr. Jim Ball, will be available to answer claims questions. Lunch will be provided.
- Reminded the Board that the employee Christmas party is scheduled for the second Saturday in December as usual. The content of the program is planned to be very similar to last year.
- Provided the Board with an update on the Lee Solar request for connection to TEPA facilities for delivery of purchased power to TVA. Details remain for finalizing an Interconnection Agreement and approval by the City of Tupelo to locate the facility inside the Tupelo city limits.
- Provided the Board with general information on staffing and the future need for entry level employees. An additional 2-3 employees are anticipated in the coming months.
- Provided the Board with an update on the AMI conversion project. We presently have approximately 2300 new RF meters in operation. The project is proceeding well. A newspaper article is planned to provide notification to the public and members about the activity.
- Provided the Board with a list of used equipment for sale. This equipment can also be accessed from TEPA web page along with a process for identifying purchase of the listed items.
- Provided the Board with expansion activities underway with two area industries. Norbord is adding facilities and is planning a 2 MW expansion to their present 8 MW load. Tecumseh Products is expanding their in-house manufacturing process with 60 new manufacturing job, but the plant manager states that no added electric load will be required.

Matters of Mutual Concern:

Mr. Palmer was recognized for an announcement. Mr. Palmer emphasized that everyone encourage employees and retirees attendance of the Christmas party scheduled on December 9. Mr. Palmer also reminded all attending the Board meeting of the upcoming Veterans recognition event scheduled at Veterans Park in Tupelo, and encouraged attendance.

There being no further business, **Guy Harris made a motion that the December 2017 Board meeting be held at the Tupelo Headquarters.** Cecil Weeks seconded the motion and upon vote taken a majority vote was observed.

F. G. Wiygul, Vice president

Don Knight, Secretary-Treasurer