

# Unofficial Minutes Until Board Approval November 12, 2015

## MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD OCTOBER 8, 2015

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, October 8, 2015, at 5:30 p. m. and there were present the following directors:

Class of 2016

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

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  
Don Spradling  
Cecil Weeks

(A)—Not present

(C)—Attended by telephone conference connection

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

Pat Carr called the meeting to order and called upon Steve Holland to open the meeting with prayer.

Mr. Carr opened the floor for consideration and approval of the September 10, 2015 regularly scheduled Board Meeting Minutes. **Buddy Palmer made a motion that these 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. Carr then inquired if there was a need for an Executive Session. Mr. Hendrix responded that there was no need for an executive session. Mr. Hendrix continued by reporting that there were no matters for him to report on during this time of the meeting.

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:

Committee Reports:

Executive: Mr. Carr, Chairman, reported that committee assignments had been studied and input from Directors had been incorporated and that the present committee make up of individual directors would continue for the ensuing year. Mr. Carr provided a written document which listed all TEPA working committees and the individual Directors participating on the various committees. Mr. Carr emphasized that if at any time any director requested to be involved with other committee assignments, the request would be duly considered and acted upon.

Public Relations and Bylaws: Jimmy Gray, Chairman, provided introductory statements to the Board concerning the work that his committee had been involved in with revisions to TEPA's customer Service Practice Policies (SPP). Mr. Gray called on Bill Long to provide a report on the status of policy revisions.

Long began with an overview of the procedures and framework outlined by TVA for revision of the SPP and that all local power companies served by TVA are conducting similar reviews and applicable revisions. Long stated that the process began in early 2015 with the initial draft of policy changes to be submitted to TVA by March 3, 2015. Since that time, several review iterations have occurred between TEPA and TVA for determination of a final product.

In preparation for full TEPA Board review, the PR and B Committee has reviewed the final SPP draft prepared by the TEPA staff with input by TVA for adherence to a uniform framework among all 155 TVA local power companies. After the committee review and a working session, a copy of the final draft was provided to the full Board to allow ample time for review prior to a Board meeting and consideration for approval.

During the Board meeting, directors had questions concerning various parts of the SPP as presented by the committee and the staff. All questions asked by the Board were addressed by the committee and the staff and there were no tasks identified by the Board needing further review prior to Board approval. As a part of the SPP content presentation, the committee further recommended that the new SPP shall become effective as of January 1, 2016, and implemented as soon as practical thereafter; and that notification of the SPP revisions be provided to members by inclusion in the monthly electric bill statements, by posting to the TEPA website and by publication in area newspapers.

After all discussion of the SPP revisions were complete, **Mr. Gray recommended on behalf of the committee that the SPP as studied by the committee and presented by mail for Board preliminary review before final review and consideration by the entire Board, be approved as recommended by the committee.** Needing no second since recommended by the full committee, a majority vote was observed.

Director Holland instructed that the minutes recorded show his vote against the motion.

Auditor's Report: Greg Jarrell provided Directors with a copy of the TEPA Monthly Highlights Report for the month ending August 2015. Mr. Jarrell explained various details of the report and provided a thorough summary of the Monthly Highlights report. Mr. Jarrell remarked that sales for July due to the extremely hot weather have influenced the August sales data and reporting period in a very positive manner; however, with only two (2) months history so far in the fiscal year, future trends may change based on weather and other factors.

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, with their approval, Mrs. Carol Bishop, from the Blue Springs Community, was scheduled to address the Board at this meeting concerning a TEPA right of way program maintenance practice issue. Mrs. Bishop was confirmed to attend the Board meeting however was unable to attend due to her illness.
- Provided an update for employee flu shots: Fulton's were given in October. Tupelo employees will get theirs on November 4, at 7 a. m. Anyone that missed the October date is welcome at the Tupelo site.
- The new retail rates have been implemented beginning October 1, 2015. This will incorporate (pass through to retail) a TVA approximate 1.5 percent retail rate increase (Wholesale increase expressed on a retail basis). In addition, due to the new Wholesale Time of Use Rate, TEPA's wholesale bill will increase on the order of \$80,000 to \$360,000 depending on TEPA's system load conditions and other weather factors. The possible \$360,000 wholesale increase was factored into the retail rate and reflects an approximate one-half percent increase. The overall result yields an approximately 2 percent increase in retail rates to TEPA members.
- "Project Liberty" is considering a location in the TEPA service area. If this occurs, the facility is projected to utilize approximately 800 new jobs, \$200 Million in capital improvements in manufacturing facilities, and an electric load of approximately 6,000 kW.
- TVA has completed and presented their Regulatory Audit Study. The findings were good and a minor amount of follow-up documentation is required from TEPA.
- Provided the Board with an overview of the subject matter presented at the Electric Power Association of Mississippi Annual Meeting. Among many other topics, Long stated that providing for a safe work environment and safe work practices were highlighted during the meeting.
- Reported that the new contract for the Mueller Copper Tube expansion is complete and in place for billing. With additional manufacturing equipment and additional electric service equipment installed at Mueller's request, a new contract is in place for 12,000 kW...With the addition, Mueller is now TEPA's largest contracted load.
- General Atomics is also in the process of finalizing their expansion for installation of plant product testing equipment. The new test load is expected to be on the order of 8 MW and not the previous 20 MW as anticipated and requested. Additional test apparatus and components supplied by General Atomics has reduced the need for TEPA to supply the larger amount of power for the testing operation.

Matters of Mutual Concern:

Mr. Don Spradling was recognized for a question to the staff. Mr. Spradling requested information for the dollar amount of the per-user monthly cost for the medical and pharmacy insurance benefit provided to retirees. The information was provided to Mr. Spradling.

Director Wiygul was then recognized for a statement to the Board. After an initial statement to the Board, **Mr. Wiygul made a motion to implement a new policy that: Management shall be required to present for Board approval from henceforth the creation of any new position in the Association. A new position will include both newly created positions as well as any increase in the number of any existing positions for any given job.** Don Spradling seconded the motion and upon vote taken, a majority vote was observed.

There being no further business, **F. G. Wiygul made a motion that the November 2015 Board meeting be held at the Fulton Branch Office.** Don Spradling seconded the motion and upon vote taken a majority vote was observed.

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Pat Carr, President

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