

Unofficial Minutes until Board approval

October 13, 2011

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD SEPTEMBER 8, 2011

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo headquarters, Tupelo, MS, on Thursday, September 8, 2011 at 5:30 p. m. and there were present the following directors:

Class of 2012

Steve Holland
Don Knight
Steve Sheffield
Don Spradling
Cecil Weeks

Class of 2013

Pat Carr
Jimmy Gray
Larry Harris
Jack Johnson
Buddy Palmer

Class of 2014

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

(A)—Not present

Also present were: Greg Jarrell, Auditor; Scott Hendrix, Attorney; Bruce Williams, Tupelo Office Manager; David Riley, Tupelo Operations Manager; David Kelso, Member Services Director; Barry Thrasher, Fulton Branch Manager; Tim Phipps, Energy Services Technician; William W. Long, General Manager;

Scott Hendrix representing the TEPA Board as legal counsel called the meeting to order and called on Bill Long to open the meeting with prayer.

Mr. Hendrix then opened the floor for nominations for the office of President of the Board. **Guy Harris nominated Pat Carr for the office of Board President** and Don Spradling seconded the nomination. **F. G. Wiygul, Jr. made a motion that nominations cease and that Mr. Carr be elected by acclamation.** Larry Harris seconded the motion and upon vote taken duly carried.

Mr. Carr expressed his thanks and appreciation to the Board for the vote of confidence being elected to serve another year as President of the Board. Mr. Carr then welcomed new Board members Chip Prestage (Fulton) and Brenda Goff Shumpert (Mooreville) and congratulated incumbent directors, Tommy Estes, Guy Harris, and F. G. Wiygul who were re-elected during the annual board election process. Directors elected also expressed their appreciation for the opportunity to serve on the Board.

Mrs. Deliah Beck, TEPA member, who had requested in August an opportunity to address the Board and was granted this request and scheduled for the regular September meeting, was not present and did not address the Board.

Mr. Carr then opened the floor for election of Vice-president. **Tommy Estes made a motion that all the remaining officers (Vice-president, Secretary-Treasurer, and Executive**

Committeeman for Itawamba and Lee counties) are re-elected, as a group, which included all the same Directors that served last year be re-elected by acclamation. Steve Sheffield seconded the motion. Mr. Palmer requested and was recognized by the Chair and further requested that, for the benefit of our new Directors who may not be familiar with those being nominated for office, be identified and introduced. Each person being nominated identified themselves. After the introductions, **Mr. Carr called for a vote on the motion on the floor and upon vote taken the motion duly carried.** The officers elected were Don Spradling, Vice-president; F. G. Wiygul, Jr., Secretary-Treasurer; Larry Harris and Guy Harris Executive Committeemen for Itawamba and Lee counties respectively.

Mr. Carr then opened the floor for appointment of a General Manager. **Tommy Estes made a motion that in addition to the General Manager position, that all the remaining appointments (Board Attorney, Board Auditor and the General Manager) being the persons employed by and serving the Association last year be reappointed as a group and be re-elected/reappointed by acclamation.** Jack Johnson seconded the motion and upon vote taken duly carried. The positions of Board Attorney, Board Auditor and General Manager were reappointed and confirmed to be Scott Hendrix, Rudolph Franks and Bill Long respectively.

Mr. Carr then called on Greg Jarrell, Auditor with Franks, Franks and Jarrell, who substituting for Rudolph Franks due to illness, gave a report of the election results for this year's Director Election. Mr. Jarrell then distributed a summary report to Directors of the ballot results for this year's election. The three candidates for Director in Lee and certain adjoining counties receiving the highest number of votes were **Tommy Estes (Mooreville), Guy Harris (Saltillo), and Brenda Goff Shumpert (Mooreville).** The two candidates for Director in Itawamba and certain adjoining counties receiving the highest number of votes were **F. G. Wiygul (Ballardsville), and Chip Prestage (Fulton).** Mr. Jarrell then made several remarks and comments concerning this year's ballot counting process including the total number of ballots received and invalid ballots that were not counted. The certified ballot count by Franks, Franks, and Jarrell as reviewed and approved by the Executive Committee on September 6, 2011 is attached.

Mr. Carr then opened the floor for consideration of the August 6, 2011 Special Board Meeting Minutes. **Buddy Palmer made a motion that the August 6, 2011 Special Board Meeting Minutes be approved as prepared and mailed to Directors for review.** Don Knight seconded the motion and upon vote taken duly carried.

Mr. Carr then opened the floor for consideration of the August 11, 2011 regular Board Meeting Minutes. **F. G. Wiygul made a motion that the August 11, 2011 regular Board Meeting Minutes be approved as prepared and mailed to Directors for review except that the minutes be revised to correctly reflect that Jimmy Gray was present and in attendance at the August meeting and not shown as absent.** Jack Johnson seconded the motion and upon vote taken duly carried.

F. G. Wiygul made a motion that the Board enter into Executive Session and that the present staff remain in the meeting. Guy Harris seconded the motion and upon vote taken duly carried.

After discussion in Executive Session, Steve Sheffield made a motion that the Board discontinue Executive Session. Guy Harris seconded the motion and upon vote taken duly carried.

Committee Reports:

Building and Grounds: Don Knight, Chairman, gave a report to the Board summarizing work completed by the committee since the last report to the Board. Mr. Knight reviewed with the Board that action was taken at the July Board meeting instructing the committee to look for other sites that might be developed at a lower cost to the Association. Mr. Knight reviewed the various sites that the committee had studied and gave comparative cost information for development of the site with the building design already being considered by the committee. Mr. Knight further reviewed the preferred site recommended by the staff and consultant service providers as considered and recommended by the committee. After further thorough discussion, a **recommendation was made by Don Knight on behalf of the Buildings and Grounds Committee. The committee recommended that the preferred site be pursued for purchase for an undisclosed monetary amount not yet ready for public review due to continued negotiations among respective buyers and sellers and that further conditions for purchase of the property would be included in the sales/purchase contract to assure TEPA of the amount of property necessary for its needs and that no other undesirable conditions of flooding, wetlands present or other unsuitable soil conditions exist upon or in the property.** Hearing the proposed details of the purchase, and upon vote taken on the motion of the committee, the motion duly carried.

Public Relations and Bylaws: Cecil Weeks, Chairman, reported that the committee had met for the purpose of working on the general topic of reviewing the TEPA Bylaws as acted upon in the August Board meeting and that the committee was instructed to bring back any suggested revisions to the Board for review and further consideration. Mr. Weeks explained that the committee had begun the task by meeting and reviewing several topic areas covered by the bylaws known to be in need of study and that additional planning sessions would be required before a final review is complete and ready for Board consideration and possible action.

Attorney's Report: Scott Hendrix reported to the Board and thanked the Board for his reappointment for another year of service to the Board. Mr. Hendrix also reported on the status of several work activities and cases in progress including the Department of Labor Federal Contractor Review, the Schmidt case and the Grissom case.

Auditor's Report: In Mr. Franks absence, Greg Jarrell provided the Board with a copy of the TEPA Monthly Highlights Report for July 2010 and explained various details of the report (see the attached report for further details). Mr. Jarrell made a thorough summary of the Monthly Highlights report.

Manager's Report: Bill Long discussed and provided details on the following topics:

- Recapped the 2% wholesale rate increase planned by TVA to begin October 2011. This will result in an approximate 1.6% retail increase for TEPA members.
- Complemented Mr. Hendrix's remarks on the DOL Review and commented on several contemplated changes and additions to TEPA job application and review process.
- Informed the Board that beginning with the January 2012, EPAM Group Benefit Trust Medical Plan costs will increase 7.5%. The last increase in our self-funded medical plan premium cost for benefits paid was prior to Blue Cross Blue Shield becoming our TPA in September 2008.
- Provided the Board with details of TEPA assisting Dixie Electric Membership Cooperative near Baton Rouge, Louisiana. During the Labor Day Holiday, TEPA sent seventeen workers and 8 construction vehicles to assist with power restoration after tropical storm Lee. Six other EPA's from north Mississippi also provided assistance.

- Informed the Board that Mayor Howarth, Oxford, had been nominated and confirmed by the Senate to serve on the TVA 9-member Board of Directors. He is the owner and operator of “Square Books” in Oxford and has extensive knowledge with the day to day operations of an electric power distributor.
- Informed the Board that the new customer/load prospect for the Fulton area, Blue Fire, which plans to make alcohol from wood and wood waste products, is contemplating increasing their load from 8MW to 20 MW. The actual plant production load has been communicated to TEPA to be about 8MW. The company has express interest to TVA of providing the remaining capacity to TVA for purchase in their Generating Partners program. All these plans are yet to be confirmed.
- A 15 MW manufacturing load has shown interest in locating in the North Lee Industrial park and would be served by the Campbelltown substation. The site has survived a second round of evaluations considered by the client.

Matters of Mutual Concern: F. G. Wiygul asked for an update for vehicles identified for purchase in the FY 2012 Equipment Budget. Long stated that all of the items identified had not been ordered yet. After some discussion of some of the particular units up for replacement, **Don Spradling made a motion that all vehicles for which the specification and appropriate pricing was known should be ordered the following day.** F. G. Wiygul seconded the motion and on vote taken duly carried.

F. G. Wiygul pointed out that in preparation for other needs of the Fulton Branch Office, the acreage owned by TEPA immediately south of the warehouse building had been cleared and will require dirt fill before put to use. **Mr. Wiygul made a motion that the Fulton staff be authorized to contract a provider to fill the area identified.** Steve Sheffield seconded the motion and upon vote taken duly carried.

They’re being no further business; **Guy Harris made a motion that the October 2011 Board meeting be held at the Tupelo Headquarters Office.** Larry Harris seconded the motion and upon vote taken duly carried.

Pat Carr, President

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