

Unofficial Minutes Until Board Approval

October 8, 2015

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD SEPTEMBER 10, 2015

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, September 10, 2015, at 5:30 p. m. The following directors were present:

Class of 2016

Pat Carr
Jimmy Gray
Jack Johnson
John McFerrin
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

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 W. Long, General Manager

Scott Hendrix, representing the Association as legal counsel, called the meeting to order and called on Cecil Weeks to open the meeting with prayer.

Mr. Hendrix called for nominations from the floor for the office of President of the Association. **Tommy Estes was recognized and nominated Pat Carr for the office of Board President.** Don Spradling seconded the motion. **Steve Holland made a motion that nominations cease and that Mr. Carr be elected by acclamation.** Don Knight seconded the motion and upon vote taken, a majority vote was observed.

Mr. Carr expressed his thanks and appreciation to the Board for the vote of confidence for being re-elected to continue to serve the Association as President. Mr. Carr then congratulated incumbent directors re-elected; Jim Gray, Steve Holland, Don Knight, Don Spradling and Cecil Weeks. These directors were re-elected during the recent annual board election process. Directors elected also expressed their appreciation for the opportunity to serve on the Board.

Mr. Carr then called on Greg Jarrell to give a report of the election results for this year's Director Election as previously presented to the Executive Committee for certification. Mr. Jarrell provided a summary report to Directors of the ballot results for this year's election. He then made several remarks and comments concerning this year's ballot counting process including the

total number of ballots received and the number of invalid ballots that were not counted. The certified ballot count by Franks Franks Jarrell Wilemon as reviewed and approved by the Executive Committee on September 3, 2015, is attached, a copy of which was provided to all directors.

Mr. Carr then opened the floor for election of Vice-president. **Tommy Estes made a motion that the individual Directors who served the Association last year in the positions of Vice-president, Secretary-Treasurer, and Executive Committeeman for Itawamba and Lee Counties be re-elected to the same respective offices held last year.** Don Spradling seconded the motion and upon vote taken a majority vote was observed. The officers elected for the 2015-2016 year were Don Spradling, Vice-president; F. G. Wiygul, Jr., Secretary-Treasurer; and Guy Harris and Chip Prestage Executive Committeemen for Lee County and Itawamba Counties respectively.

Mr. Carr then stated that committee assignments would be studied and presented at the next regular meeting of the Board. Mr. Carr also reminded the board members that individual directors desiring to serve the Association by volunteering to serve on an individual committee with a specific business area should make their interest known prior to the Chair's report at the next Board meeting.

Mr. Carr then opened the floor for nominations for the position of General Manger. **Tommy Estes made a motion that the positions of General Manager, Auditor and Attorney be filled by the same individuals that served the Association in the previous year.** Don Spradling seconded the motion and upon vote taken a majority vote was observed. General Manager William Long, the CPA firm of Franks-Franks-Jarrell-Wilemon, and Attorney Scott Hendrix, were re-appointed to serve the Association.

Chairman Carr then recognized Director Holland for a statement. Mr. Holland inquired of Mr. Hendrix and Mr. Jarrell if there had been any increase in their compensation for service to the Board in recent years. After general discussion of the topic, **Mr. Holland made a motion that the Executive Committee confer with the staff and the service providers and study compensation for Franks Frank Jarrell Wilemon and Mr. Hendrix, and to present a recommendation to the Board at a future meeting.** F. G. Wiygul seconded the motion and upon vote taken a majority vote was observed.

Mr. Carr then opened the floor for consideration of the August 13, 2015, Board Meeting Minutes. **Chip Prestage made a motion that these meeting minutes be approved as prepared and mailed to Directors for review.** Jack Johnson 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 confirmed that an Executive Session was not needed. Mr. Carr then requested that Mr. Hendrix continue with any report that needed to come before the Board. Mr. Hendrix responded and stated that he had no business items for presentation to requiring consideration by the Board at this time.

Mr. Carr then called upon committee chairmen to make presentations to the Board on behalf of their respective committees. No committee chairman had reports or information to be provided to the Board.

Auditor's Report: Greg Jarrell provided Directors with a copy of the TEPA Monthly Highlights Report for the month ending July 2015. Mr. Jarrell explained that the month of July is the

beginning and first month in the 2016 fiscal year and that all data and trends of the one month appear to be acceptable. As the months progress, a better trend can be determined for comparing this year's data with the previous year(s). Mr. Jarrell commented that even though Net Income for the year (July 2015 only) is less than the same period last year, electric energy sales (kWhs) is approximately 10% higher than for July 2014 due to the extremely hot weather in July this year; therefore, net income due to this factor will trend upward.

Mr. Jarrell explained various other details of the report and provided a thorough summary of the Monthly Highlights report. Directors had no questions or comments for Mr. Jarrell.

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

- Provided directors with confirmation data for those participating in the Electric Power Association of Mississippi Annual Meeting in Biloxi, September 13-15. A summary of meeting events and programs were provided to directors.
- Reminded directors of the format for reporting this year's election results to members. A sample using last year's publication was provided.
- Provided directors with general information of work area topics in progress that includes: continued implementation of the new Security Deposit Policy for general power members with loads greater than 50 kW; finalizing the review and revisions of TEPA Service Practice Policies resulting from TEPA and TVA dialog and review process; and conclusions of details associated with the implementation of the TVA wholesale power increase scheduled for October 2015, and the TEPA component change of Customer Charge and Energy charge...resulting in a revenue neutral retail adjustment for TEPA.
- Provided the Board with information concerning the implementation of Time of Use (TOU) Rates for all electric users that have loads greater than 5,000 kW. This is an incremental step in the eventual availability and use of time of use rates. TOU rates are being developed for the use by local power company members to encourage electric load shifting away from daily periods requiring high cost electric generation...to periods of lower cost. Application of time of use rates to TEPA customers at the present time is limited to large industry with loads greater than 5,000 kW. Other member rate classes, and the current rate design are not attractive enough to produce member incentive to shift their use of electricity to off-peak periods.
- Informed the Board of a member complaint that may result in calls by the member to individual directors. The member also made a request to address the Board with their concerns at the next available meeting. The Board agreed to grant the request of the member.

Matters of Mutual Concern:

There were no matters of mutual concern raised by directors.

There being no further business, **Guy Harris made a motion that the October 2015 Board meeting be held at the Tupelo Headquarters.** John McFerrin seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

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