

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD SEPTEMBER 8, 2016

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, September 8, 2016, at 5:00 p. m. The following directors were present:

<u>Class of 2017</u>	<u>Class of 2018</u>	<u>Class of 2019</u>
Myra Estes	Jim Gray	Pat Carr
Guy Harris	Steve Holland	John McFerrin
Chip Prestage	Don Knight	Jimmy Gray
Brenda Goff Shumpert (A)	Don Spradling	Buddy Palmer
F. G. Wiygul, Jr.	Cecil Weeks	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

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

Mr. Hendrix called for nominations from the floor for the office of President of the Association. **Don Spradling was recognized and nominated Pat Carr for the office of Board President.** Guy Harris seconded the motion. **John McFerrin 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 Board President. Mr. Carr then welcomed newly elected and appointed Directors Malcolm Wesson and Myra Estes, respectfully, and congratulated incumbent directors re-elected; Jimmy Gray, John McFerrin, and Buddy Palmer (Mr. Carr was also re-elected during this years' election). These directors were re-elected during the recent annual board election process. Directors elected also expressed their appreciation for the opportunity to return to the service of the Board.

Mr. Carr then opened the floor for election of Vice-president. **John McFerrin 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 2016-2017 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 any particular individual committee with a specific Association business area should make their interest known to him prior to the Chair's report to be presented at the next Board meeting.

Mr. Carr then opened the floor for nominations for the position of General Manger. **Don Spradling 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 Knight seconded the motion and upon vote taken a majority vote was observed. General Manager William Long, the CPA firm of Franks, Franks, Jarrell, and Wilemon, and Attorney Scott Hendrix, were re-appointed to serve the Association.

Mr. Carr then opened the floor for consideration of the August 11, 2016, Board Meeting Minutes. **Chip Prestage made a motion that these 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. Carr then inquired if there was a need for an Executive Session. Mr. Hendrix confirmed that an Executive Session was needed. **Guy Harris made a motion that the Board enter into Executive Session.** Don Spradling seconded the motion and upon vote taken a majority vote was observed. After completion of information provided by Mr. Hendrix and completion of discussions in Executive Session, **Guy Harris made a motion that the Board conclude the Executive Session.** Buddy Palmer seconded the motion and upon vote taken, a majority vote was observed.

Mr. Hendrix continued and concluded that he had no business items for presentation to and requiring Board consideration at this time.

Committee Reports:

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 by their committees:

Nominating: Cecil Weeks, Chairman, reported to the Board and provided general information and remarks concerning the recent director election process. Mr. Weeks then called upon Bill Long and Greg Jarrell to provide an explanation of the Director Ballot counting process.

Greg Jarrell then provided 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, and Wilemon as reviewed and approved by the Executive Committee on September 2, 2016, is attached, a copy of which was provided to all directors.

Having the floor, Mr. Jarrell proceeded with the Auditor's Report. Mr. Jarrell provided Directors with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Jarrell and Wilemon for the month ending July 2016 and explained various details of the report. Mr. Jarrell provided comments from several components of his report. Mr. Jarrell reported that his review of TEPA financials continue to show good and healthy results for the fiscal year.

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.

Purchasing: General Manager Long reported on behalf of the committee. Long provided a general summary of information considered and approved by the committee at a recent working meeting. **Long further reported that the committee recommended and approved the expenditure of \$1,698,375 as a working budget for the purchase of construction equipment (trucks and other apparatus) for the use of both the Fulton and the Tupelo offices.** Hearing the recommendation of the committee, and upon vote taken, a majority vote of approval of the recommendation was observed.

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

- Reminded the Board of the upcoming Electric Power Association of Mississippi Annual Meeting to be held in Biloxi on September 13 and 14. Directors scheduled to attend the meeting were provided with a list of activities planned for TEPA Directors and other travel arrangement details.
- Provided Directors with information concerning certain changes in the medical insurance programs provided by TEPA for its retirees and active employees. Beginning January 1, 2017, the AmWins pharmacy benefit will be provided by a different provider. Information concerning the change will be communicated to plan users by AmWins at the appropriate time. The change will require the distribution of new Drug Cards.

Also, beginning January 1, 2017, the active employee medical plan administered by Blue Cross Blue Shield, will experience several changes. The Maximum Out of Pocket (known as the MOOP) feature will increase the employee obligation from the present \$2,300 level to \$2,800. The Vision plan provided by Davis Vision, premium will also be increasing. There will also be an increase in the Administrative Fee charged by BCBS that will result in a small increase in the monthly premium.

Final details will be confirmed and communicated to plan participants by the EPA Insurance staff at a later date.

- Provided Directors with a copy of the information posted to employees communicating the policy implementation concerning use of unused sick leave to be used to add to service time for calculation of retirement benefits.
- Provided general information to the Board for publishing the result of this years' Director Election. Directors agreed that the process and typical information published in past years would be appropriate.
- Informed Directors that there are new rules and procedures for complying with work process and procedures for system restoration after an emergency event caused damage to the distribution system requiring restoration. Rules include such procedures as

incorporating competitive bids for securing materials and labor assistance during the emergency restoration period.

Matters of Mutual Concern:

Director Knight initiated discussion that the practice of nominating and approving the hiring of certain services for the Cooperative (the auditor, the attorney and the general manager) for a three year period. Mr. Knight further explained that neither party however would be obligated under contract, nor would either party be obligated in any way to fulfill the 3-year obligation and the Board would retain the option of considering annually decisions for approving these services.

They're being no further business, **Guy Harris made a motion that the October 2016 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