

Unofficial Minutes until Board Approval

October 12, 2017

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD SEPTEMBER 14, 2017

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, September 14, 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
John McFerrin
Jimmy Gray
Buddy Palmer
Malcolm Wesson

Class of 2020

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

(A)—Not present

Also present were: Scott Hendrix, Attorney
 Greg Jarrell, Auditor
 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. **John McFerrin was recognized and nominated Pat Carr for the office of Board President and in addition, according to the Agenda used by the Board, all Officers and staff positions through and including the appointment of Attorney.** Jim Gray and many other Directors seconded the motion. **John McFerrin made a motion that nominations cease and that Mr. Carr and the others identified 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 director Lynn Turner, and congratulated incumbent directors re-elected; Guy Harris, Chip Prestage, Brenda Shumpert and F. G. Wiygul, Jr. 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 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 consideration of the August 10, 2017, 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 not needed. At the request of Chairman Carr, Mr. Hendrix continued his report by stating 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: Jim Gray, Chairman, reported to the Board and provided general information and remarks concerning the recent director election process. Mr. Gray then called upon 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 also provided information to the Board showing the history of ballots returned for election of Directors. History shows that for the election this year, the number of ballots returned is consistent with previous year's results. Dialog ensued among Directors with concerns of methods that might be pursued to improve the director election process that would encourage more members to vote in the process. After some discussion, **F. G. Wiygul made a motion that the Nominating Committee study the director election process including the balloting system used and bring information back to the Board for consideration.** Buddy Palmer seconded the motion and upon vote taken a majority vote was observed.

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 2017 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 and provided the following specific details and information:

- net income for the 1st month in FYE 2018 was \$675,296 less than for the same period last year
- net income for the month of July 2017 was a loss of \$181,429 compared to a gain of \$493,866 for the month of July 2016
- for the 1st month of FYE 2018, compared to the same period last year, kilowatt hours sold decreased by 5.17%
- Mr. Jarrell also highlighted other accounting details that affected our monthly report and indicated that the sales for the month of July even though less than July of 2016 were still strong and that TEPA continues to enjoy a strong beginning fiscal year. Directors had no questions or comments for Mr. Jarrell.

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

- Informed the Board that TEPA is participating in the Mississippi Electric Cooperative Emergency Assistance Program by sending 25 workers and 13 construction vehicles to assist with electric power restoration in northeast Florida due to hurricane Irma. The workers are expected to have to stay for approximately a week and may be asked to dispatch to other areas of Florida as power is restored.
- Reported that our agreement has been completed with the contractor that will be assisting with the automatic meter reading effort to change meters from the existing PLC type to the RF type. Meter change out should begin in the mid October timeframe.
- Implementation of the Outage Management System (OMS) is progressing and system component additions should begin in October. The system should be operational by January 2018.
- Provided the Board with brief information concerning the Advert Security employee assigned to the Fulton office. Service seems to be somewhat improved.
- Provided very general information concerning the TVA/TVPPA negotiations underway to develop a Wholesale rate to address problems associated with Distributed Energy Generation (DER). This is in preparation for an October 2018 possible implementation.
- Provided the Board with a brief review of the format for announcing director election results to TEPA members. The process will be the same as last year except that the periodical "The Promoter" publication will be added to the local news providers.
- Discussions are underway to develop an interconnection agreement to allow a 1,000 kW solar/electric system to connect to the TEPA distribution network. More information will follow.

Matters of Mutual Concern:

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

Pat Carr, President

Don Knight, Secretary-Treasurer