

Unofficial Minutes until Board Approval

June 14, 2018

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD MAY 10, 2018

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office, Tupelo, MS, on Thursday, May 10, 2018, at 5:00 p. m. The following directors were present:

Class of 2018

Jim Gray
Steve Holland (A)
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 (A)
Chip Prestage
Brenda Shumpert
F. G. Wiygul, Jr.

(A)—Not present

(T)—Participated by Telephone Conference

Also present: Jonathan Haygood and Bryon Wilemon, Auditors
Steve Tarpley, Member Services Director
Bruce Williams, Tupelo Office Manager
David Kelso, Fulton Branch Office
David Riley, Tupelo Operations Manager
Scott Hendrix, Attorney
William Long, General Manager

Chairman Carr called the meeting to order and called on Malcolm Wesson to lead the Board in offering an opening prayer.

Mr. Carr then opened the floor for consideration of the April 2018 regularly scheduled Board Meeting Minutes. **Buddy Palmer made a motion that the April 2018 meeting minutes be approved as prepared and provided 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 for his report unless the Board raised issues later in the meeting that may require an Executive Session. Mr. Carr asked Mr. Hendrix to continue with any matters that he had to report. Mr. Hendrix stated that he had no matters requiring Board review or approval and that his activities during the last month primarily consisted of his efforts in support of management and other related issues.

Committee Reports:

Mr. Carr then called upon committee chairmen to report to the Board on behalf of their respective committees and committee activities:

Public Relations and Bylaws: Jimmy Gray, Chairman, was recognized for a report from his committee. Mr. Gray called upon Bill Long to give that report. Long provided an update concerning efforts underway to begin a digital version of the Today in Mississippi, ECM Newspaper. Long stated that the first issue draft was complete and that draft has been presented to the Statewide Newspaper staff for editing and completion. The first issue will be for the month of June. It will emphasize the history of TEPA and will also focus on issues involving growth of the Association in its 84 years of service to the community. Long also recapped a multitude of methods that the TEPA staff will be using to get the word out to association members for view of the publication on TEPA's web page.

Rates: Chairman John McFerrin provided the Board with an overview of committee work for study of capital projects planned during the next five (5) years. Mr. McFerrin provided to the Board general information presented to the committee by the staff for review including: TEPA has no rate increase to produce funds strictly for its use (wholesale rate increases have occurred and have been passed along through the retail rate structure), and details associated with the term and procedure called a "guideline increase". Mr. McFerrin stated that the committee will be doing additional work before a recommendation is made for consideration by the Board. Mr. McFerrin fielded several questions from Directors concerning operations and statistics compiled by the staff for review.

Auditor's Report:

Jonathan Haygood and Bryan Wilemon provided Directors with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Jarrell and Wilemon for the month ending March 2018. Mr. Haygood explained various details of the report and provided the following specific details and information:

- net income for the nine (9) months in FY 2018 was \$1,543,807 which was \$1,532,433 less than the net income for the same period last year
- for the nine (9) months of FY 2018, compared to the same period last year, kilowatt-hours sold increased by 0.93%, which is a minor increase from last month's cumulative energy sales.
- Mr. Haygood also highlighted other financial details that affected our monthly report and indicated that the sales for the month of March 2018, were just slightly more than March 2017. Weather conditions experienced during the previous month have been essentially normal and have not produced much higher than normal energy sales. Mr. Haygood reaffirmed that TEPA still maintains a good financial status.

Manager's Report:

Long reported to the Board on the following matters:

- Informed the Board that TVA is agreeable to pursue an interactive meeting together during the fall this year between the two Boards...TVA and TEPA. This will be in connection with the TVA Board meeting scheduled to be in Tupelo.

- Provided the Board with an article produced in the “CSA Lines” publication. The article emphasized TEPA crews providing special attention to a youngster while doing our work to repair an underground electric service.
- Polled the Board concerning a possible Board trip to visit TVA’s Load Control Center and the Raccoon Mountain pumped storage facility in Chattanooga, TN. Many of the directors were interested in scheduling a trip.
- Informed the Board that up to 5 employee’s duties will be affected by the completion of the new AMR/AMI metering system. These employees will be utilized in other work areas at TEPA before additional employees are hired from outside the association.
- Our planned implementation of an outage management system (OMS) has been launched and we are in the “de-bugging” stage. The system will be tested first during normal daytime work hours before putting the system in operation at night and weekends.
- We have in operation on May 8, 16, 354 new AMI/RF meters. The project is still on a schedule for completion by the end of the calendar year.
- The TVA Board has approved incorporation of a “Grid Access Charge”. This component will be activated for wholesale bills rendered in October of this year. The change is revenue neutral to TVA. Based upon prior years’ energy consumption, TEPA’s wholesale bill may increase or decrease, and if so, it will be on the order of approximately 0.16% per year.
- TEPA staff is working with two (2) projects in the Tupelo/Lee Industrial Park. The projects will result in added load of approximately 3,000 KW. Added jobs are unknown at this time.
- Provided information to the Board concerning a group of Associations within the ECM group that are pursuing acquiring a feasibility study for evaluating the use of broad band communications within their certificated area. TEPA’s participation will require a \$9,000 expenditure for evaluation of the TEPA service territory. After discussion, **Buddy Palmer made a motion that TEPA participate in the feasibility study activity to be provided by Conexon and that the results be presented to the Board.** Don Knight seconded the motion and upon vote taken a majority vote was observed.

Matters of Mutual Concern:

There were no matters of mutual concern. There being no further business, **Brenda Shumpert made a motion that the meeting adjourn and that the June 2018 Board meeting be held at the Tupelo headquarters office.** Malcolm Wesson seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

Don Knight, Secretary-Treasurer