

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD OCTOBER 11, 2018

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, October 11, 2018, at 5:00 p. m. The following directors were present:

<u>Class of 2019</u>	<u>Class of 2020</u>	<u>Class of 2021</u>
Pat Carr	Lynn Turner	Jim Gray
John McFerrin	Guy Harris	Steve Holland
Jimmy Gray	Chip Prestage	Don Knight
Buddy Palmer	Brenda Goff Shumpert (A)	Andy Spradling
Malcolm Wesson	F. G. Wiygul, Jr.	Cecil Weeks

(A)—Not present

Also present were: Scott Hendrix, Attorney
 Jonathan Hagood, Auditor
 Ken Brown, Fulton Branch Manager Elect
 Stevie Humble, Tupelo Operations Manager Elect
 Steve Tarpley, Member Services Director
 Bruce Williams, Tupelo Office Manager
 William Long, General Manager

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

Mr. Carr then opened the floor for consideration of the September 2018 regularly scheduled Board Meeting Minutes. **Chip Prestage made a motion that the September 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 needed. Hearing so, **Guy Harris made a motion that the Board enter into an executive session.** F. G. Wiygul seconded the motion and upon vote taken a majority vote was observed.

Upon the completion of discussion during executive session, **Guy Harris made a motion that the Board terminate the executive session.** F. G. Wiygul seconded the motion and upon vote taken a majority vote was observed. Based upon the discussion in executive session, there was no action by the Board following the executive session.

Mr. Hendrix continued with his report to the Board and stated that he had no other matters or business items requiring Board consideration at this time.

Committee Reports:

Mr. Carr then called upon committee chairmen to report to the Board on behalf of their respective committees, and to report results of other meetings and work sessions held by their respective committees:

Public Relations and Bylaws: Jimmy Gray, Chairman, called upon John McFerrin, committee member, to report on behalf of the committee. Mr. McFerrin reported on committee study and action to be recommended to the Board for action. Mr. McFerrin provided to the Board a summary of the information and a recommended action presented to the committee for incorporation of the use of kiosk machines for accepting and processing member payment of electric bills. Mr. McFerrin reported the staff's recommendation of the number of machines to begin with, the process for payment, the projected benefits and savings to TEPA and the cost to members for use of the machines. After Mr. McFerrin's presentation, answers were provided to Board member questions concerning the use of the machines. **Hearing the recommendation of the committee for incorporation of this product and system for member payment, and upon vote of the Board, a majority vote was observed in favor of the committee recommendation.**

Purchasing: Cecil Weeks, Chairman, provided a report to the Board concerning the 2018-2019 Equipment Budget. Mr. Weeks explained the committee process for considering the staff recommendations and provided to the Board a summary of expected expenditures. The information provided to directors was itemized by the two branch office areas as well as expected expenditures for equipment that would be utilized for the operation of work tasks and procedures completed for both offices. Mr. Weeks stated that the information studied and recommended by the committee for adoption by the Board totaled an expected expenditure amount of \$1,431,150 for the current fiscal year. **Hearing the recommendation of the committee and all questions raised by the Board and addressed and answered by the committee and the staff, and upon a vote taken, a majority vote was observed in favor of the the committee recommendation.**

Executive: Pat Carr, Chairman, reported that committee appointments for the ensuing year had been reviewed and finalized. Chairman Carr provided a copy of the committee assignments to all Directors. After distribution of the committee assignments by Chairman Carr, Directors had no questions concerning the process or the assignments.

Mr. Carr proceeded with presenting to the Board the need to review TEPA's employee pension plan for the purpose of allowing repayment of certain employee contributions to the plan...these employee contributions having been previously withdrawn by the employee due to varied personal circumstances. Mr. Carr called upon Bill Long to present information to the Board concerning this subject. Long presented factual information to the Board that related to a group of employees that had withdrawn their contributions in the pension plan. Long also stated that information had been provided to TEPA confirming that should the Board approve this amendment to allow employees to repay these funds, there would be no cost to the pension plan nor would there be any negative affect to other plan participants. **After hearing the information presented by Long which was first reviewed and considered by the Executive Committee, the Committee recommended that TEPA management be authorized to initiate the required plan amendment procedure through CSA/Mass Mutual who administers the TEPA Pension Plan that would allow employees to reinstate pension benefits for periods of time for which employee contributions had been previously withdrawn.** Having heard the recommendation by the Executive Committee, and upon vote taken, a majority vote was observed.

Auditor's Report: Jonathan Hagood provided Directors with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Wilemon and Hagood for the month ending August 2018. Mr. Hagood explained various details of the report and provided the following specific details and information:

- net income for the 2nd month in FYE 2019 was \$1,352,554 which was \$832,377 more than the net income for the same period last year
- for the 2nd month of FYE 2019, compared to the same period last year, kilowatt hours sold increase by 2.07%
- Mr. Hagood also highlighted other accounting details that affected our monthly report.

Directors had no questions or comments for Mr. Hagood.

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

- Informed the Board that TEPA is participating in another request for assistance for a neighboring cooperative in the Mississippi Electric Cooperative Emergency Assistance Program. TEPA has sent 24 workers and 14 construction vehicles to assist with electric power restoration in the Florida panhandle area due to the destruction caused by Hurricane Michael. Our workers are being assigned to Gulf Coast Electric Cooperative, located just north of Panama City, Florida. The length of stay is not known.
- Informed the Board of the roof covering problems for the Engineering and Operations Building at the Tupelo headquarters. The roof is not leaking, but roof members seem to be separating. Large areas of the outer roofing material have expanded or “bubbled up”. A roof warranty claim has been filed with Firestone. Pryor-Morrow, Graham Roofing and Worsham Brothers builders are assisting with an evaluation of the problem.
- Reported that we have received payment for equipment and building damage which occurred during the storm this spring causing damage to the Fulton Branch Office facility.
- Reported that the Truck 18 wreck insurance claim is still being processed.
- A short video and report of the TEPA directors making the tour of Browns Ferry Nuclear Plant, Raccoon Mountain Pumped Storage facility, and the Chattanooga System Control Center was shown to the entire Board.
- The status of the power line control (PLC) meters changing to radio frequency (RF) is progressing. To date, we have 31,209 new meters in operation with approximately 11,000 meters remaining to change. Full completion of the project is expected at the end or shortly after the first of the year. The new system is working well and only a minor number of problems are occurring.
- A meeting is being planned for the recognition and appreciation of TEPA's retirees. Details of the AmWins insurance program will be covered as well as giving retirees the opportunity to seek answers to any questions they may have concerning application of the coverage.

- Informed the Board that the TVA Board tour of the General Atomics plant has been canceled due to changes in the schedule of the TVA Board.
- Provided the Board with the status of offers for the TEPA south Gloster Street Property, the original 6-acre site and office building. The Board authorized some additional measures that the staff can utilize for sales of the property. TEPA is in the process of selling the adjoining 6-acres site to the north and sales and closure details are being finalized with the purchaser, UPS.
- Provided the Board with information concerning new industry considering new plant facilities in the TEPA service area. All of these are prospects at this time.

Matters of Mutual Concern:

Director Wesson was recognized for a question concerning the financial information prepared and presented by Jonathan Hagood. Mr. Wesson had two questions about the monthly report. 1.) on Page 6 of the report, identified as “Demonstrating Expense” in year 2017 was stated to be \$39,664 compared to \$88,946 in year 2018, for a difference of \$49,282, and; 2.) on Page 6 of the report, “Injuries and Damages”, indicates a credit balance of \$41,840 for 2018 compared to a credit balance of \$28,994 for 2017. Mr. Williams stated that he would check on this and study these questions and provide an answer(s).

There being no further business, **Guy Harris made a motion that the November 2018 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