

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD AUGUST 8, 2019

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, August 8, 2019, 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	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
 Stevie Humble, Tupelo Operations Manager
 Bruce Williams, Tupelo Office Manager
 Steve Tarpley, Member Services Director
 Mitzi Hinds, Member Services Director (elect)
 William Long, General Manager

Chairman Carr called the meeting to order and called upon Brenda Shumpert to offer an opening prayer.

Mr. Carr then opened the floor for consideration of the July 2019 regularly scheduled Board Meeting Minutes. **Lynn Turner made a motion that the July 2019 board 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 of Directors and Mr. Hendrix if there was a need for an executive session. Mr. Hendrix and Directors responded that no one was aware of a need for an executive session.

Committee Reports:

Continuing with the agenda, Mr. Carr then called on those committee chairmen having information to report to the Board:

Nominating: Jim Gray, Chairman, reported that the nominating committee had met and that a review by the committee of the director ballot for use this year had been completed. Mr. Gray read the names on the ballot to be presented at the annual meeting on Saturday, August 10, as required by the association bylaws. Other details of the ballot distribution process were covered by Mr. Gray including that there were no petitions submitted this year and that if all details go as planned, the ballots will be mailed to members on August 17 and the election is planned to close on September 5, 2019.

Public Relations and Bylaws: Jimmy Gray, Chairman, called upon Long and the staff to present information concerning the special edition of the Today in Mississippi that was approved by the Board at the July meeting (see those minutes for further explanation about the special issue). Russ Tally presented a power point presentation showing details and the content of the special August issue that was mailed to approximately 37,000 TEPA members. In this edition, six (6) interior pages were used to present information about news and activities going on at TEPA. Topics emphasized were the annual meeting to be held in August and existing directors on the ballot this year, the Youth Leadership program and area youth participating this year, and current news concerning TEPA activities to study improved broadband service to its members through a separate and independent subsidiary owned and governed by the Association. A report about the publication project will be presented to directors for further evaluation at a later time.

SmartGrid: Buddy Palmer, Chairman, reported on several matters under study by the Committee including the trip sponsored by the committee to Tipton and Sikeston, Missouri to visit and communicate with CoMo Connect and SEMO respectively concerning their broadband projects. Discussion ensued among directors and there were good questions and discussion shared among the directors.

After his report, **Mr. Palmer presented the following motion for board action based upon unanimous consent of the SmartGrid committee:**

The SmartGrid Committee recommends to the Tombigbee Electric Power Association's Board the following;

1) that it should be approved, contingent upon and following approval of an amendment to the Articles or Certificate of Incorporation, that Tombigbee move forward with its SmartGrid and broadband fiber to the home project, which is expected to include an approximate projected budget of \$95,000,000.00, with the understanding that the project as a whole will stand as approved by this recommended action if the board so elects, but however to proceed in phases, each of which phase will be subsequently approved by the Board continuing to judge the viability and feasibility of each progression and phase; and

2) that management, staff and professionals shall enter into negotiations with Conexon to work toward the execution of a contract for the design, construction and implementation of this project, which contract and the execution thereof shall be and hereby is authorized by this action pending final documentation drafting and review by management and counsel; and

3) that once the design is complete the planned phase locations and timing will be presented to the Board for review and approval.

Hearing the motion presented by SmartGrid Committee Chairman Palmer, and upon a vote taken, a unanimous vote was observed.

In a related matter to the motion presented by the SmartGrid Committee, which recognizes that the TEPA Articles or Certificate of Incorporation must also be amended and ratified by the membership, **John McFerrin made a motion that:**

Tombigbee amend its Articles or Certificate of Incorporation to all for any expanded business purpose as authorized by law to include the Mississippi Broadband Enabling Act, and if approved to set a special called meeting of the Members of the Association to vote on said amendment at such date as the Board shall elect to set; and to further amend the Articles/Certificate to state that the duration of the Association shall be henceforth perpetual. Also as part of this motion, Counsel shall be and hereby is directed to file any records, documents, or certificates with the Mississippi Secretary of State making such amendments when appropriate.

Hearing the motion made by Mr. McFerrin on behalf of the SmartGrid Committee, Lynn Turner seconded the motion and upon a 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 June 2019. Mr. Hagood explained various details of the report. Generally, financial indicators and key statistics remain on a good trend when compared to last year's fiscal year data. For the same period last year, Gross Margins from all Sources are approximately 8.1% higher; and Operating Expenses are approximately 0.13% lower. Energy Sales and Net Income remains on a good track for completion of the fiscal year. New member account growth remains steady at 340 or a 0.8% growth as tracked on an annual basis, rolling 12-month basis, and compared to the same period as last year.

There were no questions for Mr. Hagood concerning his presentation.

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

- Provided the Board with information for the Electric Power Association of Mississippi Annual Meeting scheduled for September 9 and 10 in Biloxi, MS. Directors were urged to make their plans and to let Long and DeVaughn know about travel arrangements needed.
- Employee meetings were conducted on July 30 and 31 at the Tupelo and Fulton offices for the purpose of informing employees of study and plans under consideration for implementation of improved broadband service to members. The meetings were well attended by both office staffs and there were many good questions asked and topics discussed.
- Provided the Board with details concerning a Board Governance informational session that is planned for August 29 in Jackson, MS. Directors, board attorneys, as well as cooperative general managers are encouraged to attend.
- Provided the Board with preliminary information concerning TVA release of information to local power companies describing an opportunity to extend the present power contract term to 20 years. An incentive to make this contract change is being studied by TVA and its preliminary information to be presented later in August at the TVA Board meeting has defined the incentive to be approximately 3% of the LPC's wholesale power bill.

Matters of Mutual Concern:

Steve Holland was recognized for a statement. After several introductory and supportive remarks, **Mr. Holland made a motion that the TEPA boardroom be identified and named the Rudolph F. Franks Memorial Boardroom, in recognition of Mr. Franks more than 50 years of service to the Association; and that the TEPA auditorium be identified and named the Maxine Williams Memorial Auditorium and that commemorative plaques are to be obtained and displayed in a prominent location respectively.** Brenda Shumpert seconded the motion and upon a vote taken, a unanimous vote was observed.

There being no further business topics expressed, **F. G. Wiygul made a motion that the August 2019 Board meeting be held at the Tupelo Headquarters.** Buddy Palmer seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

Don Knight, Secretary-Treasurer