

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD May 12, 2022

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, May 12, 2022, at 5:00 p.m. The following directors were present:

<u>Class of 2024</u>	<u>Class of 2022</u>	<u>Class of 2023</u>
Jim Gray	Pat Carr (A)	Lynn Turner
Steve Holland	John McFerrin	Mike Irwin
Don Knight	Buddy Palmer	Chip Prestage (A)
Andy Spradling	Malcolm Wesson	Brenda Shumpert
Danny Riley	T. J. Adams	F. G. Wiygul, Jr.

(A)—Not present
(P)—Phone/Zoom

Also, present were

- Scott Hendrix, CEO
- Jonathan Hagood, Auditor
- Bruce Williams, Tupelo Office Manager
- Michael Dickinson, Fiber Construction/Operations
- Jeff Godfrey, Tupelo Electric Operations Manager
- Matt Fennell, Manager of Fiber Services
- Mitzi Hinds, Manager of Member Services
- Ken Brown, Fulton Branch Manager
- Toby Mask, Manager of Engineering

F.G. Wiygul called the meeting to order and called on Don Knight to open the meeting with prayer.

Scott Hendrix introduced two long time employees to the board. Each employee told the board of their job duties and past work experience with Tombigbee EPA.

Mr. Wiygul opened the floor for consideration of the April 2022 Board Meeting Minutes. **Don Knight made a motion that the April 2022 meeting minutes prepared and distributed be approved.** T.J. Adams seconded the motion for approval and upon vote taken, a majority vote was observed.

Mr. Wiygul asked if an executive session was needed. Mr. Hendrix acknowledge a need for an executive session later on in the meeting. Mr. Hendrix did not have a need for an attorney report for this month.

Committee Reports: Smart Grid/Finance Committee: Chairman Andy Spradling and Brenda Shumpert

Mr. Spradling reported on a meeting of the two committees that occurred earlier in the week. The committee looked a current interest rate and the outlook of rising rates in the months to come and recommended that the variable loans that we currently have be locked in at the current long term interest rates. After a brief discussion, and since this is a recommendation of the board, no motion is needed a vote was called and a unanimous vote was observed.

John McFerrin made a motion to go into executive session, Don Knight seconded, a vote was duly taken, a majority vote was observed, and board entered executive session. Don Knight made a motion to exit executive session, Buddy Palmer seconded, and a vote was duly taken, and a majority vote was observed, and board came out of executive session.

Mr. Adams reported to the board that management has informed the committee that almost all expenses of Tombigbee EPA have increased in the last 6 to 12 months. All

material, included wood poles, meter bases, overhead line material has experienced a 15-40% increase in the last year. Also, part of the pandemic relief credit from TVA will expire on Oct 1 of this year. With these increases in expenses and decrease in credit from TVA, the committee feel that a small increase in rates is prudent. The committee recommends a 1/2 % increase in rates. The effects of this increase to a typical residential electric bill would be a 75-cent increase on a \$150 bill. This increase is unrelated to fiber expenses, as the fiber to the home project is stand alone and ahead of projections and is generating sufficient revenue to be self-sufficient. T.J. Adams made a motion to increase retail rates by 1/2 %, beginning as soon as 90 days. Buddy Palmer seconded the motion, after discussion, a majority vote was observed.

Fiber Update:

Matt Fennell, Manager of Fiber Services, gave an update of our broadband project. Mr. Fennell stated that there was a total of 9,541 fiber customers connected, an increase of 513, from last month. 698 members are waiting to be installed. The board was also updated on the following: take rate of 35%, 2,006 total number of miles constructed. Mr. Fennell also updated the board on the number of voice customers, 458 and revenue generated by both internet and voice customers.

Matt Fennell also updated the board on the Affordable Connectivity Program. Mr. Fennell also presented the social media post of our 9000th Fiber customer, Mr. Steven Morgan, along with an upcoming Red Tent sign up opportunity at Sherman Town Hall the next day, May 13 at 10 am.

Engineer Report:

Toby Mask, Manager of Engineering informed the board of a postponement of the Mooreville Substation outage. This outage was for the purpose of changing out a problem switch. TVA and TEPA will work to determine the best timing of this maintenance issue.

Auditor's Report:

Mr. Hagood provided the board with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Wilemon and Hagood for the month ending March 2022 and explained various details of the report. Specific details and information where gross margins from electric sales are up more than 12% for the same period last year; net income for this month has decreased as compared to the same period last year; kilowatt-hours sales are approximately 1.51% less than the nine months ending March 2022; and operating expenses are approximately 14% more than March of last year. Mr. Hagood further presented financial statements relative to Tombigbee Fiber, LLC.

Call Center update and discussion: Mr. Hendrix informed the board that adjustments are being made to make call center better. It has much improved since inception.

CEO Report: Mr. Hendrix informed the board that Tombigbee EPA has been going through an insurance accreditation process, and we passed. In the coming years, plans are to keep improving safety for all employees and members. Reminded the board of the June Board meeting date change from June 9 to June 2, normal place and time. Mr. Hendrix showed the board a power point of the National Lineman Appreciation lunch, with attendance around 250 employees, retirees, and board members. Mr. Hendrix gave an update of the different community meeting that had taken place over the last month.

Matters of Mutual Concern:

No Matters of Mutual Concern, Lynn Turner made a motion to adjourn, and Andy Spradling seconded, and a vote was duly taken, and a majority vote was observed.

Don Knight, Secretary-Treasurer

F.G. Wiygul-President