

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD MAY 14, 2020

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, May 14, 2020, at 5:00 p. m. The following directors were present:

<u>Class of 2020</u>	<u>Class of 2021</u>	<u>Class of 2022</u>
Lynn Turner	Jim Gray	Pat Carr (A)
	Steve Holland	John McFerrin
Chip Prestage (A)	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
 Mitzi Hinds, Member Services Director
 Bruce Williams, Tupelo Office Manager
 Ken Brown, Fulton Branch Manager
 Stevie Humble, Tupelo Operations Manager
 William Long, General Manager

F. G. Wiygul called the meeting to order and called on Buddy Palmer to open the meeting with prayer.

Mr. Wiygul then opened the floor for consideration of the April 2020, Board Meeting Minutes. **Lynn Turner made a motion that the meeting minutes be approved as prepared and provided to Directors for review.** Don Knight seconded the motion for approval and upon vote taken a majority vote was observed.

Mr. Wiygul then inquired of the Board if there was a need for an Executive Session. Hearing none, Mr. Wiygul continued and recognized Attorney Scott Hendrix for a report. Mr. Hendrix continued and provided the Board with information concerning two (2) topics:

1. Additional information available concerning the opportunity to utilize the SBA Paycheck Protection Program (the PPP), and;
2. A general explanation of draft agreements that he has prepared for review by the Board and approval for use between Tombigbee Electric Power Association and Tombigbee Fiber, LLC. These documents are:
 - a. Single Member Operating Agreement – Tombigbee Fiber, LLC
 - b. Expense and Services Sharing Agreement – Tombigbee Fiber, LLC
 - c. Right of Use and Lease Agreement – Tombigbee Fiber, LLC

Mr. Hendrix continued with information concerning item 1 and reminded the Board of action that they had taken during the Special Called April 2, 2020 Board meeting for consideration of applying the PPP Loan. The results of the vote for that motion was not to apply for the loan.

Mr. Hendrix continued with providing information about the loan opportunity and new information concerning details of the PPP Loan program. After discussion, **Steve Holland made**

a motion that TEPA authorize Mr. Hendrix and the TEPA staff to proceed with application for the PPP Loan. Jim Gray seconded the motion and additional discussion ensued. After discussion was complete, and upon a vote taken, a majority vote in favor of the motion was observed.

Mr. Hendrix continued with explanation of item 2. Further details were provided for the draft agreements developed by Mr. Hendrix which are necessary between Tombigbee Electric Power Association as owner of a majority of the fiber infrastructure and smart/grid and Tombigbee Fiber, LLC operator of the fiber system and broadband services to its customers. It is necessary to adopt an operating agreement for Tombigbee Fiber, LLC, and lease the fiber infrastructure to Tombigbee Fiber, LLC as well as document an agreement for other leased resources. After further explanation by Mr. Hendrix, it was pointed out that the Tombigbee Fiber, LLC Operating Agreement should be approved by separate motion. Hearing same, **Lynn Turner made a motion that the operating agreement developed by Mr. Hendrix which assure compliance with operation of the fiber system according to Mississippi state law, and according to regulation by TVA which applies to Tombigbee Electric Power Association be adopted.** Buddy Palmer seconded the motion and upon vote taken a majority vote was observed.

Mr. Hendrix continued by providing additional explanation of the remaining two documents as identified above for use between the two organizations which identifies the process and procedure for establishing a lease agreement for infrastructure and other leased resources. Hearing same, **Malcolm Wesson made a motion that the form and general structure/content as presented by Mr. Hendrix be adopted.** John McFerrin seconded the motion and upon vote taken, a majority vote was observed.

Committee Reports:

Mr. Wiygul then called upon committee chairmen of various committees to present their reports:

SmartGrid: Buddy Palmer, Chairman, provided an update of committee activities and reported on the general status of the smartgrid system. Mr. Palmer called on general manger Long who gave a brief report concerning two topics: general issues encountered with Conexon staff and Tombigbee Fiber working to complete tasks that are required in order for telephone service to be provided; and secondly, the staff provided an update for the progress to the fiber system construction in Phase 1 of the project.

Finance and Loan: Brenda Shumpert, Chairman, was not present for the meeting and general manager Long provided information for the committee. Long explained that details for securing the loan are proceeding well. The loan is expected to be ready to close according to the original 6-8 week schedule estimated by CoBank representatives.

Buildings and Grounds: Lynn Turner, Chairman, presented general information to the Board concerning a recent offer for purchase of the remaining old office building property at 1906 South Gloster Street. Mr. Turner called on general manager Long who presented additional information.

Auditor's Report:

Mr. Hagood provided Directors with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Wilemon and Hagood for the nine (9) months ending March 2020. Mr. Hagood explained various details and information provided by the report. Even though energy sales are

slightly less than the same period last year, net income for the same period is approximately 30% higher than for the same period last year. Our total number of customers/members continue an upward growth.

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

Electric Cooperative activities:

- Provided the Board with general information concerning the ongoing effects of the COVID-19 virus. A summary of actions taken in expectation to minimize employee exposure to the virus were presented. An expected date for opening the lobby to member traffic was presented and discussed. The expiration of the “no-disconnection” policy is expected to occur near the end of May, depending on directions issued from the CDC and the MS state office of the governor.
- Bruce Williams and his staff presented information to the Board concerning the impact of non-collection of electric sales funds due to the “no-disconnection” policy made available to members. In addition, Mr. Williams presented a plan for working with members that have fallen behind on payment of their electric bill due to the “no disconnect” policy. The no disconnection period is expected to last from its initiation on March 16 through May 26...a 70-day period. The plan presented to the Board is to allow members to spread any amount accrued during the 70-day period, over a 3-month period as long as they continue to pay their current monthly electric bill. This plan was acceptable to the Board.
- Due to all the fiber activity in the region (C Spire, FTC and Tombigbee), additional 811 locates are growing tremendously. Existing staff will be assigned to assist with this work load.
- We are still pursuing upgrades to the power supply in the Fulton Primary and the Fulton District substation areas.
- Provided updated information on the TEPA/TVA Community Care Funds Program. The joint and total amount of the funds are \$30,000 shared equally among TVA and TEPA. Funds are expected to arrive soon from TVA.

Broadband Subsidiary activities:

- Long provided information concerning the second phase of the broadband. The second phase plan is expected to pass by approximately 11,700 members and service the areas of Mooreville, Belden and the remainder of the area east of Fulton. Additional consideration will be provided by the SmartGrid committee and minor changes to the plan may occur.
- Contract crews now amount to approximately 80 persons working throughout the Phase 1 area.
- Through May 12, we have 113 miles of strand installed and 72 miles of fiber installed. None of the fiber carries light yet. We expect to have testing completed and able to provide broadband service to members in parts of the First Phase area by mid-June. Due to COVID-19 and weather factors, our fiber project is approximately 30 days behind schedule.

Matters of Mutual Concern:

There being no further business, **Buddy Palmer made a motion that the meeting be adjourned and that the June 2020 Board meeting be held at the Tupelo Headquarters.** John McFerrin seconded the motion and upon vote taken a majority vote was observed.

F. G. Wiygul, Jr., President

Buddy Palmer, Vice-president