

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD February 8, 2018

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, February 8, 2018, at 5:00 p. m. The following directors were present:

<u>Class of 2018</u>	<u>Class of 2019</u>	<u>Class of 2020</u>
Jim Gray	Pat Carr	Lynn Turner
Steve Holland (A)	John McFerrin (T)	Guy Harris
Don Knight	Jimmy Gray	Chip Prestage
Pat Spradling	Buddy Palmer (A)	Brenda Shumpert
Cecil Weeks	Malcolm Wesson	F. G. Wiygul, Jr.

(A)—Not present. (Director Palmer was absent to attend a Director Conference sponsored by CFC in Jackson, MS, scheduled for this date.

(T)—Participated by Telephone Conference

Also present: Greg Jarrell, Auditor
Steve Tarpley, Member Services Director
Bruce Williams, Tupelo Office Manager
David Kelso, Fulton Branch Office
David Riley, Tupelo Operations Manager
William Long, General Manager
Scott Hendrix, Attorney (TEPA Board Approved Telephonic Attendance)

Chairman Carr called the meeting to order and called on F. G. Wiygul to lead the Board in offering an opening prayer.

Mr. Carr then opened the floor for consideration of the January 2018 regularly scheduled Board Meeting Minutes. **Don Knight made a motion that the January 2018 meeting minutes be approved as prepared and provided to Directors for review.** Guy Harris seconded the motion and upon vote taken a majority vote was observed.

In Mr. Hendrix's absence, and not yet having reported to the meeting by phone, Mr. Carr proceeded with other items on the agenda.

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, called upon Steve Tarpley to report on two (2) topic falling under the committee review: the Annual Blue Grass Concert sponsored by ICC, and report by Steve on customer high bill issues due to the recent extremely cold weather.

Steve report that distribution of general admission tickets for the Blue Grass Concert which provides for student scholarships to attend ICC is going well. Plenty of tickets are still available for those employees and directors needing tickets.

Steve also gave a report addressing member calls to the office with questions concerning their recent electric bills during the extreme cold weather that occurred in January 2018. Steve provided to Directors typical calls from members and how historical data collected from our advanced metering infrastructure (AMI) system was a tremendous help to explain to callers how their high electric consumption was the primary cause of their high utility bills. Steve displayed member billing history and other data showing how much customer use data changes with extreme weather variations. Directors expressed a keen interest in our member service efforts as details of information and services provided to members was communicated. Directors had lots of good questions pertaining to this component of TEPA staff and information provided to members.

Long provided to the Board the status of the work being done to begin use of the Statewide staff to initiate a digital Today in Mississippi publication. Long emphasized that the project can continue upon the review and approval of the newspaper committee which is expected by the end of February.

Attorney's Report:

Scott Hendrix who had joined the meeting by telephone conference was recognized by the Chairman. Mr. Hendrix had no specific items to report to the board or that needed Board approval at this time; however, he would remain available by phone if needed.

Auditor's Report:

Greg Jarrell provided Directors with a copy of the TEPA Monthly Highlights Report, prepared by Franks, Franks, Jarrell and Wilemon for the month ending December 2017. Mr. Jarrell explained various details of the report and provided the following specific details and information:

- net income for the six (6) months in FY 2018 was \$458,363 which was \$2,403,696 less than the net income for the same period last year
- for the six (6) months of FY 2018, compared to the same period last year, kilowatt-hours sold decreased by 4.3%
- Mr. Jarrell also highlighted other financial details that affected our monthly report and indicated that the sales for the month of December 2017, even though less than December of 2016 and mostly due to milder weather conditions, were still strong and that TEPA financial condition continues to do well and enjoy a positive statement of income for the beginning of fiscal year 2018. Mr. Jarrell further stated that November is typically somewhat of a transition month between cooling and heating seasons and variable weather conditions can greatly affect energy sales causing net income for a one-month review period to fluctuate significantly.

Directors had questions for Mr. Jarrell dealing with specifically his opinion if there were any identified need at this time to consider a retail rate increase to members. Mr. Jarrell responded that there is no need at this time, but certainly this option will be under further review as the fiscal year progresses. Mr. Jarrell emphasized again that the decline in net income for this fiscal year compared to fiscal 2017 is primarily due to the milder summer and winter weather experienced so far this year compared to last year and that colder than normal winter weather experienced since the January report period and remaining fiscal year weather trends may yet significantly change our net income for fiscal 2018.

Manager's Report:

Long reported to the Board on the following matters:

- Provided the Board with information concerning additional load growth occurring in the industrial sector. Several industries in the area are planning significant expansions which are yet unannounced to the public. In addition, an announcement has been made by the CDF for the purchase of land for the future development of a 1000 acre industrial park in the western Lee County region. ICDC and the 3-Rivers agency are working together to pursue a potential 15 MW industrial load in the Itawamba County region. TVA will be involved in this project due to the need for the extension of transmission facilities.
- Long discussed other TEPA construction priorities due to the recent extreme cold weather. Several power distribution line upgrades to conduct higher loads were identified. Long also discussed member billing options available to members to minimize the impacts of large swings in monthly power bill amounts.
- Briefly discussed the use of TVA's Emergency Load Curtailment Program (ELCP). TEPA staff made contact with approximately twenty (20) industries in the area requesting their voluntary reduction in their electric load when applicable. TEPA experience a good response by industry in this matter.
- Long provided an update to the Board for the change out from power line carrier (PLC) meters to radio frequency (RF) meters. The project presently in on schedule for the estimated 18-month change out. The new system is working well and overall, we are having good member acceptance of the work effort. Presently we have approximately 6,680 new meters in operation and we are installing new meters at the rate of 150-180 per work day.

Matters of Mutual Concern:

Mr. Wesson was recognized by Chairman Carr. Mr. Wesson made comments directed toward two (2) matters in progress or under review.

Mr. Wesson began by requesting feedback from David Kelso concerning security training conducted by a Fulton Police Department representative. David responded the session went very well and specific advice and recommendations were provided by the PD representative.

Mr. Wesson then reintroduced the discussion from the previous month's board meeting about TEPA participation in the Regional Rehabilitation Center Annual Awards program. Directors then shared information and options for participation among one another. In conclusion, **Cecil Weeks made a motion that TEPA participate in the event scheduled for April 17, 2018, and that a \$1,000 contribution be made that would provide for participation of up to eight (8) representatives from TEPA.** Brenda Shumpert seconded the motion and upon vote taken a majority vote was observed. A portion of the directors desiring to attend were recognize and others were encouraged to participate.

There being no further business, **F. G. Wiygul made a motion that the meeting adjourn and that March 2018 Board meeting be held at the Fulton Branch Office.** Chip Prestage seconded the motion and upon vote taken a majority vote was observed.

Pat Carr, President

Don Knight, Secretary-Treasurer