

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD SEPTEMBER 12, 2019

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Headquarters Office, Tupelo, MS, on Thursday, September 12, 2019, 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
Guy Harris	Steve Holland	John McFerrin
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
 Steve Tarpley, Member Services Director
 Mitzi Hinds, Member Services Director, Elect
 Bruce Williams, Tupelo Office Manager
 William Long, General Manager

Scott Hendrix, representing the Association as legal counsel, called the meeting to order and called on Bill Long to open the meeting with prayer.

Mr. Hendrix called for nominations for the position of President of the Association. **Steve Holland was recognized and nominated Pat Carr for President.** Jim Gray seconded the nomination and upon a vote taken a majority vote in support of the motion was observed.

Mr. Carr expressed his thanks and appreciation to the Board for the vote of confidence for being re-elected to continue to serve as the Association's Board President. Mr. Carr then welcomed everyone and congratulated incumbent directors being re-elected to a 3-year term, Buddy Palmer, Malcolm Wesson, and John McFerrin [Director Jimmy Gray was elected during the voting period, however; passed away during the director election period]. These directors were re-elected during the recent annual board election process. Directors elected also expressed their appreciation for the opportunity to return to the service of the Board.

Mr. Carr then called upon Jonathan Hagood who gave a report to the entire Board, results of information presented to the Executive Committee concerning the director election results and various other statistics of member voting (see the report provided by Franks, Franks, Wilemon and Hagood, and the notes included in the report).

Mr. Carr then opened the floor for nominations for the position of Vice-president. **Don Knight nominated F. G. Wiygul for Vice-President.** Steve Holland seconded the nomination and upon vote taken, a majority vote was observed.

Mr. Carr then opened the floor for nomination for the position of Secretary-Treasurer. **Lynn Turner nominated Don Knight.** Andy Spradling seconded the nomination and upon vote taken a majority vote was observed.

Mr. Carr then opened the floor for nominations for the position of executive committeemen. **F. G. Wiygul made a motion that Chip Prestage and Guy Harris be elected for executive-committeemen for Itawamba and Lee Counties respectively.** Buddy Palmer seconded the nomination and a majority vote in favor of the nomination was observed.

Mr. Carr then opened the floor up for nominations for the support staff positions of General Manager. **F. G. Wiygul made a motion that, for the position of General Manager, Auditor and Attorney, that William Long, Jonathan Hagood and Scott Hendrix respectively be elected to these positions.** John McFerrin seconded the motion and upon vote taken a majority vote was observed.

Mr. Carr then opened the floor for consideration of the August 8, 2019, Board Meeting Minutes. **Don Knight made a motion that these meeting minutes be approved as prepared and mailed to Directors for review.** Guy Harris 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 no executive session was needed based upon the material content he had to report to the board.

Mr. Hendrix proceeded to report on several matters including the dismissal of a couple of lawsuits against TEPA alleging discrimination that were initiated by a couple of terminated employees. Mr. Hendrix continued with his reporting on contract matters with the firm selected to provide services to TEPA for construction and operation of a fiber to the home system for improved internet, telephone and TV service.

Mr. Hendrix thanked the Board for continuing his employment to provide the legal service to the Board and members. Directors had general questions to Mr. Hendrix concerning the status of our application to the USDA for the ReConnect Program grant funds. General information was provided which was the best we have at this time. Mr. Hendrix also addressed details of the All Member Meeting planned for September 16. The purpose of the meeting is to provide information to members attending who would have the opportunity to vote to amend TEPA's Articles and Certificate of Incorporation. Approval of this amendment will allow TEPA to do various activities including changes brought about for electric member cooperatives due to the passage of the Broadband Enabling Act of 2019.

Committee Reports:

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

Nominating: Jim Gray, Chairman, reported to the Board and provided general information and remarks concerning the recent director election process. Mr. Gray continued with statements in support of the committee efforts this year to strengthen and to possibly increase member voting in the director election process.

Mr. Gray did take the opportunity at this time to thank the Board and directors who made contact with his dad, Mr. Jimmy Gray, while he was undergoing surgery and other medical treatment in the hospital. The board will mourn the loss of Mr. Jimmy Gray and his passing as he gave special interest and participation to support the Association and its members.

Executive: Pat Carr, Chairman, and his committee reported on a couple of active matters. Mr. Carr acknowledged that the staff and Mr. Hendrix have made the appropriate preparation and arrangements for conducting the All Member Meeting on September 16, 2019, at 6:00 p.m. This member meeting will be for the purpose of amending TEPA Articles and Certificate of Incorporation to align with the new legislation enacted this year through the Mississippi Broadband Enabling Act.

Mr. Carr recognized Vice-president Wiygul for presentation of a recommendation from the committee. After general discussion among directors, due to the passing of Director Jimmy Gray, **Mr. Wiygul, on behalf of the unanimous recommendation of the committee, and in accordance with the provision of the Association bylaws, recommends that the director position rendered vacant by the death of Director Jimmy Gray, shall remain open until the next director election being August 2020, and that director ballots shall contain the 2-year remaining seat declared vacant due to Mr. Gray's death.** Hearing the unanimous recommendation of the committee, and upon vote taken a majority vote was observed.

SmartGrid: Buddy Palmer, Chairman, provided an update for committee activities and the planned broadband "Kickoff" Meeting scheduled for September 26, 2019. Along with TEPA staff that will be attending, SmartGrid committee members may attend if they choose. The agenda will be adjusted to make best use of the committee's time available.

Insurance: Buddy Palmer, Chairman, reported on behalf of the committee. The TEPA staff has been informed that the yearly insurance premium increases for both the Blue Cross Blue Shield plan (for active employees) and the AmWins plan (for retirees and directors older than 65) will begin in January 2020. Mr. Palmer reported that the committee had met and makes the following recommendation: **That TEPA accept the projected increases of, 3.6% and 3.68% respectively, as presented to the committee rather than reducing plan benefits with a companion premium reduction.** Hearing the resulting discussion among directors, and the recommendation of the committee, upon vote taken a majority vote was observed.

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 month ending July 2019 and explained various details of the report. Mr. Hagood provided comments from several components of his report. Specific details and information are: Gross Margins From Electric Sales are somewhat less than the same period last year; Net Income for this month is less than the same period last year due to the influence of an additional payroll period this month...and the reduced energy sales.

There were no questions from Directors to Mr. Hagood concerning his report.

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

- Long had a few additional comments to supplement Mr. Carr's report concerning the All Member Meeting scheduled for September 16. Additional comments were related to details of how to accompany a larger group of members than expected should that result.
- Long provided additional comments to Mr. Palmer's report for the Conexon Kickoff meeting scheduled for September 26. Comments were related to subject matter in the agenda and the order of the agenda to best suit directors attending.
- Long presented details of the offering by TVA to increase the present 10-year evergreen Wholesale Power Contract to a 20-year evergreen Wholesale Power Contract. Long provided to the Board a "Term Sheet" as developed by TVA that outlines provisions available to all local power companies (and TEPA) that are intended as guidelines or circumstances that could render the contract change void. As an incentive to encourage LPCs to make this contract change, TEPA's estimated savings will be 3.1% annually based upon wholesale energy sales to most customer classifications (not to include loads greater than 5,000 kW). The savings is estimated to be approximately \$2.0 Million annually. Hearing the discussion and the opportunity to make this change, **Buddy Palmer made a motion that the TEPA implement the 20-year wholesale power contract option at our earliest option and that the General Manager Long be authorized to sign the document for TEPA.** Further discussion ensued, and with a vote taken upon the motion offered by Mr. Palmer, a majority vote was observed. [Director Holland requested that his no/nay vote on the motion be recorded as such.]
- Long continued with a general overview of the Board Governance Meeting as requested and conducted by the Electric Cooperatives of Mississippi (ECM) on August 29, 2019. ECM utilized the expertise of the NRECA attorney, Tyrus H. (Ty) Thompson, who conducted the class. Long recapped general topics covered by the speaker. Discussion ensued among directors for conducting a similar session for the TEPA Board, along with possibly inviting neighboring Associations to participate in the meeting. Mr. Hendrix suggested as an alternative, that he would conduct the session if directed by the Board...for which the Board agreed.

Related to this Board Governance topic, Mr. Palmer requested if there was information available concerning Board compensation, to make that available also.

Long also provided to directors a form that can be used to record time spent by directors when addressing member needs and other Association activities. This information will be used by the Association auditor when he completes and submits the IRS form 990 annually.

Matters of Mutual Concern:

There being no further business, **Guy Harris made a motion that the October 2019 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