

MEETING OF BOARD OF DIRECTORS

The Board of Directors of Pontotoc Electric Power Association met for a "called meeting" at the office of the Association in Pontotoc on Tuesday, September 15, 2020 at 8:00 a.m.

Directors Larry Parker, Richard Watkins, Terry Oaks, Nicky Moore, Bobby Duke, Allen Simmons, Jeff Washington and Nickey Browning were present for this meeting.

The President served as Chairman and minutes were kept by the Secretary.

The invocation was given by General Manager Frankie Moorman.

President Larry Parker reported that this special meeting of the Board of Directors had been called pursuant to Article V, Section 2 of the Association's By-Laws, for the purpose of determining the validity of petitions for candidates for the office of Director of the Association in the upcoming scheduled election, and for discussion of the TVA Pandemic Relief Credit component of the upcoming TVA rate change.

The Secretary reported that one petition was received from a potential candidate from Director Area Three for this year's election. Two petitions were received from Director Area Seven and two petitions were received from Director Area Eight.

In Director Area Three, a petition was submitted by Mr. Jackie Courson. It was determined that Mr. Courson is a resident of Director Area Three, and had submitted a petition containing 40 or more verified signatures of Association members, and that Mr. Courson met in all respects, as well as could be determined, the qualifications for the office of Director. Upon a motion duly made, seconded and approved by a vote of 7 to 0, with Area Three Director Allen Simmons abstaining, the Board voted to certify the petition of Mr. Jackie Courson.

In Director Area Seven, a petition was submitted by Mr. Tim Quarles. It was determined that Mr. Quarles is a resident of Director Area Seven, and had submitted a petition containing 40 or more verified signatures of Association members, and that Mr. Quarles met in all respects, as well as could be determined, the qualifications for the office of Director. Upon a motion duly made, seconded and approved by a vote of 7 to 0, with Area Seven Director Jeff Washington abstaining, the Board voted to certify the petition of Mr. Tim Quarles.

Secretary/Treasurer Mark Patterson reported that a petition was also received in Area Seven for Mr. Chance Austin. He reported that Mr. Austin had stated that he had lived at his current address in Area Seven for several years. However, he has only had electrical service in his name and under his own membership for approximately six months. Article IV, Section 2, Paragraph 3(1) of the Association's by-laws states that in order to become or remain a member of the Association's Board of Directors, a person must be a member of the Association and a resident of the area represented for at least 12 months prior to nomination. Patterson stated that he always reviews qualifications and requirements for the Director position with prospective candidates when they request petition forms, but that he did not catch Mr. Austin's membership date until after Mr. Austin's petition had been returned to the Association. Upon a motion duly made, seconded and approved by a vote of 7 to 0, with Area Seven Director Jeff Washington abstaining, the Board voted to deny the petition of Mr. Chance Austin. Board President Larry Parker instructed that, in the future, all persons requesting petition forms for Director elections be given a copy of the Association's by-laws. He also instructed that the by-laws should be posted on the Association's web site.

In Director Area Eight, a petition was submitted by Mr. Ken Winter. It was determined that Mr. Winter is a resident of Director Area Eight, and had submitted a petition containing 40 or more verified signatures of Association members, and that Mr. Winter met in all respects, as well as could be determined, the qualifications for the office of Director. Upon a motion duly made, seconded and approved by a vote of 7 to 0, with Area Eight Director Richard Watkins abstaining, the Board voted to certify the petition of Mr. Ken Winter.

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Also in Director Area Eight, a petition was submitted by Mr. Robert Tedford. It was determined that Mr. Tedford is a resident of Director Area Eight, and had submitted a petition containing 40 or more verified signatures of Association members. Mark Patterson reported that he had discussed with Mr. Tedford an eligibility question regarding Mr. Tedford's True Value business in Bruce, which has Pontotoc Electric as a customer. Article IV, Section 2, Paragraph 3(2) of the Association's by-laws states that a person is not eligible to become or remain a member of the Association's Board of Directors if they are "employed by or have a financial interest in ... a business selling electric energy supplies or services to the Association". Patterson stated that he had always understood that stipulation to refer to selling specifically utility-related products or supplies and not other general tools and hardware, but that a definitive ruling had never been made on that issue. Mr. Tedford had stated that he definitely wished to be a candidate for the Association's Board and that his store would stop doing business with the Pontotoc Electric if necessary to avoid a conflict. The Board discussed allowing Mr. Tedford to run for the Board and clarifying the issue with the Association's attorney should Mr. Tedford win the District Eight election. Upon a motion duly made, seconded and approved by a vote of 7 to 0, with Area Eight Director Richard Watkins abstaining, the Board voted to certify the petition of Mr. Robert Tedford.

The manager next updated the Board on the Pandemic Relief Credit from TVA, as discussed at the Board's September 9th meeting. This is a 2.5% credit on the Association's base wholesale power charges for TVA's FY 2021 beginning in October 2020. Pontotoc Electric anticipates cost savings of approximately \$696,000 over the next twelve months from this temporary credit. Approximately \$29,000 of that amount will be on the account of Weyerhaeuser at Bruce. Weyerhaeuser is an MSB class customer, and the manager reported that MSB retail rates are set uniformly by TVA and that the local power distributor has no flexibility to alter those rates. The remaining anticipated credit of approximately \$667,000 is spread over other customer classes, and the Association does have some flexibility with the application of those credits. The manager stated that he had discussed with TVA the possibility of setting aside those funds for use in offsetting the cost of implementing an Automated Metering Infrastructure (AMI) project, and that TVA had approved that use of the funds. Upon a motion duly made, seconded and approved, the Board voted to use the savings in wholesale power cost generated by TVA's Pandemic Relief Credit to offset the cost of a future AMI implementation project.

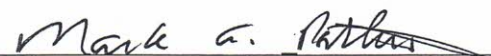
The manager also reported that Engineer Jenna Kentner had been researching AMI for some time and had previously made a presentation to the Board on the topic. He stated that she was currently in the process of updating the information that she had concerning available technology, cost estimates, etc. on the subject for another presentation to the Board.

The manager also updated the Board on the PEPA crew currently working with Beauregard Electric Cooperative in DeRidder, LA to make repairs from Hurricane Laura. The crew there reports that good progress is being made but that a lot of work remains to be done. The manager also discussed the potential that Hurricane Sally may impact that area of Louisiana and crews working there over the next few days, and discussed actions planned by Beauregard EC to ensure the safety of outside workers should more severe weather threaten that area.

There being no further business, the meeting was adjourned.

Approved:


President


Secretary