

MEETING OF BOARD OF DIRECTORS

The regular meeting of directors of Pontotoc Electric Power Association was held at the office of the Association in Pontotoc on Wednesday, December 9, 2020 at 9:00 a.m. All directors were present for this meeting.

The invocation was given by Vice President Terry Chunn. The President served as Chairman and minutes were kept by the Secretary.

President Larry Parker welcomed all to the meeting and opened the floor for member comments. No members addressed the Board.

President Parker acknowledged two new incoming Board members who will take office in January 2021, Mr. Robert Tedford in Area 8 and Mr. Jackie Courson in Area 3. Then, the President opened the floor for Director comments. Director Allen Simmons stated that it had been a pleasure to serve the Association and commended General Manager Frankie Moorman on doing an excellent job. President Larry Parker thanked Allen Simmons for his service. The President also recognized PEPA employees Jenna Kentner, Johnny Wilder, and Ben Hogan who would each be reporting to the Board later in the meeting.

Minutes of the November 4, 2020 Board Meeting were approved as read.

President Parker updated everyone on the status of the Senate Subcommittee hearing in Washington D.C. to confirm Bill Cook from Bruce, Mississippi as a new member of the TVA Board of Directors.

New consumers connected since the November meeting were accepted as members of the Association.

Upon a motion by Nickey Browning and seconded by Allen Simmons, the November vouchers payable were approved for payment, including routine expenses not yet received as of the meeting date.

At this point, President Parker clarified that the Association would no longer be purchasing supplies from Tedford's True Value in Bruce as of January 2021 in order to avoid any conflict of interest with Mr. Robert Tedford having been elected as the new Area 8 Director. President Parker explained there were other local vendors available for the same supplies, but that Mr. Tedford would be willing to help out in the event of a storm emergency by giving supplies to the Association if no other supplier were available.

The Manager distributed an updated list of sick employees and family members.

General Manager Frankie Moorman presented the November Safety Report reporting no lost time accidents and two non-lost time accidents. There was no safety meeting during November due to a temporary shutdown of the Safety and Loss Control department of the Cooperative statewide office in relation to the Covid-19 pandemic. During November, PEPA had one full-time employee test positive for Covid-19 and one full-time employee that was quarantined due to close contact. There were two damage claims submitted by customers to the Association in November 2020. PEPA also suffered damage claims to Association property including a customer cutting a tree down on a security light circuit causing a PEPA pole to break and two vehicle accidents involving utility poles.

At this time, the General Manager introduced Johnny Wilder, Right of Way Manager, and asked Johnny to present the monthly November R-O-W report. Johnny Wilder reported there had only been 5 trouble calls related to right of way during the month and that was the lowest number reported in a while. He also reported the crews had been working in the Bruce area on a line extension job on highway 331 along with 13.7 miles of routine maintenance on the Sarepta circuit. Wilder reported that the engine for the New Holland tractor had been rebuilt and should be on a truck on its way back to PEPA. Director Richard Watkins commented the R-O-W crew had been in his area the previous week and had done a really great job. Johnny Wilder also reported on the status of customer requests.

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Next, Johnny Wilder presented an analysis of the PEPA in-house R-O-W crew compared to a previous R-O-W contractor. Although the main line internal R-O-W crew is a little more expensive, the internal crew is cutting farther back and doing a cleaner job. The internal ticket crew is actually operating at a lower cost than previous contracted crews. The net effect of both the main line and ticket crew comparison showed that the PEPA internal crews cost approximately \$46,500.00 more per year. President Parker commented that the inflation factor was not included in this comparison which did compare time frames that were three years apart. Mr. Parker also stated that having the internal R-O-W crews allowed for more control and for investing in local people.

President Parker then asked Johnny Wilder if there was anything that was needed for R-O-W such as equipment. Wilder stated that the crews had recently demoed a Lamtrac machine on the highway 331 job. The Lamtrac is a smaller machine with a mulching head that has the ability to get in to tighter areas. The Lamtrac is set up similar to a skid steer but will handle mulching better and has a better hydraulic tank and cooling system. Wilder presented a quote of \$232,404.00 for this type of machine. Wilder stated that he is not completely convinced that this is the machine that is needed. The machine is towable behind the PEPA bucket trucks. Wilder wanted the Board to know that this machine had been recently demoed. The crew had also recently demoed a V-Con Trac based machine, but it was slower and heavier. President Parker asked Johnny Wilder if his R-O-W crew was adequately staffed. Wilder responded that the manpower is good when all machines are up and running. There was some discussion about the different types of R-O-W equipment. The General Manager stated that several options were still being researched to be sure that the crew has the right tools for the right applications.

The Manager then presented the Employee Training Report for November 2020 noting all training had been virtual in November.

At the Manager's request, Jeanna Sorto presented the monthly financial report. Jeanna Sorto reported that some FEMA reimbursements had recently been received for previous storm damage. Sorto also reported that the TVA power bill had been paid without tapping in to reserves and that a deposit had been made to the main reserve account at the end of November. There was also a brief discussion about the current balance in the equipment reserve account.

Next, Branch Manager Ben Hogan gave a brief overview of construction jobs in the Bruce district.

Upon a motion duly made by Nicky Moore and seconded by Jeff Washington, a Bad Debt Write-Off for the month of November in the amount of \$19,434.57 was approved unanimously by the Board. The Pontotoc amount of \$17,995.82 included old bill COVID19 contracts in the amount of \$4,519.33. The Bruce amount of \$1,438.75 included old bill COVID19 contracts in the amount of \$234.20.

At this time, the Manager asked System Engineer Jenna Kentner to present a report on the Landis & Gyr AMI metering proposal. Mrs. Kentner explained that a RF Mesh system would work better for our terrain than a point-to-point system. Jenna Kentner presented some charts detailing PEPA's current expenditures for the current meter system.

Kentner then presented the total pricing for implementation of an Advanced Metering Infrastructure system based on a proposal from Landis & Gyr. Kentner explained that the bulk of the pricing would be the initial purchase of the new advanced meters, with the majority being residential meters.

Next, Kentner presented the actual infrastructure needed on the system to connect the proposed new advanced meters. This AMI system would require 18 network gateways and 76 RF routers mounted on arms on poles throughout the system. Landis & Gyr would provide training on installation of the gateways and routers so that PEPA employees could build out the network while getting a contractor to actually changeout all meters. The Manager commented that he would like to see this AMI project completed within 12 months if the decision were made to move forward. Kentner then explained the software required to communicate with the network gateways and routers. This software would be

license based and would reside on a limited number of computers. The current proposal includes 3 software licenses. Next, Kentner explained the AMI Command Center monthly fee.

Jenna Kentner also reviewed an estimate for Advanced Meter Services to be contracted to do all meter changeouts. This cost varies by the type of meter being changed out. The General Manager also explained that the contractor would take pictures of each meter changed out to insure accurate meter readings and related customer billing.

There was a detailed discussion on PEPA's current metering system and current contract meter readers. There was also a discussion of the new features with an AMI system such as power outage management, voltage reports, built in alerts that would allow problems to be caught early, connects and disconnects from the office instead of having to roll out a truck, and possible prepay options that could be offered to customers. There was also a discussion of the possible savings in annual expenditures that could result from changing to AMI and the money currently being set aside from the TVA pandemic relief credit which could be allocated to an AMI project. When questioned by Director Nicky Moore, Jenna Kentner said that a new AMI system should pay for itself in an estimated 7 years.

Jenna Kentner briefly discussed prepay options and stated she was still researching the different prepay option setups. Jenna Kentner also stated that NRTC was working on an AMI study that should be ready to discuss in January. President Parker asked if this system is the latest technology. Jenna Kentner stated the RF Mesh system is what most systems are moving towards and that most coops in our area who already have AMI use Landis & Gyr.

Member Jackie Courson asked to address the Board. Mr. Courson stated that automated metering infrastructure is a great system with unlimited possibilities to upgrade. Then, Mr. Courson referenced a 2009 study conducted by the Department of Energy in which 90% of the utilities involved used optic fiber to back haul the system and then used RF from the meter to the gateway. Courson also stated that RF Mesh meters are what is out there right now. However, he feels that it is only a matter of time until ethernet connection meters could be offered. Mr. Courson stated his opinion that he feels a business model should have been reviewed that could have used a fiber backbone to offer both AMI and the possibility of Broadband internet. President Larry Parker thanked Mr. Courson for his comments.

Next, the General Manager recommended approval of John Lauderdale's engagement letter to perform an audit to show compliance with the Mississippi Public Service Commission. Upon a motion by Jeff Washington and seconded by Terry Oaks, the Board approved John Lauderdale's engagement letter to complete this audit by April 30, 2021.

The Manager announced the official results of the recent Director election which have been certified by John Lauderdale, CPA, and by Phil Tutor, Board Attorney.

At this point, the Manager announced to the Board that a Resolution needed to be adopted to add Jeanna Sorto, Frankie Moorman, and Larry Parker as authorized signatories for the CoBank line of credit and remove Mark Patterson and Chuck Howell. The Board unanimously adopted this resolution upon a motion by Jeff Washington and seconded by Terry Chunn.

Then, the Manager gave an update on the status of PEPA's new website. The discovery process with Provis has been completed. The Manager presented a cost of \$10,750 for the initial website design and launch and a \$419 monthly web care plan for maintenance. The Manager also reminded the Board that our existing website template will no longer be supported as of January 1st. Upon a motion duly made by Nicky Moore and seconded by Bobby Duke, the Board unanimously approved the recommendation to complete the launch of the new website with Provis for \$10,750 and to purchase the monthly web care plan for \$419 at this time.

Member David Tranberg asked what type of information would be posted in the Members Only section of the new website. The General Manager responded that the Association has been advised by legal counsel that the Board minutes only be made accessible to members due to privacy, and Management must perform due diligence in protecting the Association. Mr. Tranberg also expressed

concern that he and other members did not have any input in the design of the new website. President Larry Parker responded that management had put a great deal of effort in to the design of the website. After some open discussion about member input on different issues, the President stated that he values the opinion of members in his area.

Member Stanley Wise then asked to address the Board. Mr. Wise stated that he knows the Board has different opinions than a lot of the Association's members. He also stated that he now has more appreciation for reliable power than ever before. Mr. Wise commented that members probably should be more active in telling their specific Board members about their interests. Mr. Wise stated that he was disappointed in some of the decisions that the Board has made over the last few months especially in regards to broadband internet opportunities. Mr. Wise asked the Board to listen to members who have taken the time to do hard research on studies and other issues. President Parker told Mr. Wise that he appreciated his comments.

Next, the Manager informed the Board that the annual safety dinner set for December 15, 2020, had been cancelled due to the recent rise in Covid-19 cases. The Manager recommended that vouchers be given to each employee and Board member to entitle the bearer and one guest to a meal, drink, tax, and tip at Seafood Junction in Algoma. There would be a total of 103 vouchers for a total cost of \$4,738 to provide this meal for all employees. The Manager stated that it had been a very hard year with Covid-19 and that our employees had worked hard to continue working as essential workers during the pandemic. The President also reminded the Board that there was no employee picnic back in the summer due to the pandemic. Upon a motion by Terry Chunn and seconded by Terry Oaks, the Board unanimously approved providing these meal vouchers in lieu of the annual safety dinner.

The General Manager then presented the list of recently completed construction projects and the present construction projects. The Manager informed the Board that one engineer was dedicated to the MaxxSouth make-ready project. MaxxSouth is in the process of building Fiber to the Home out of the Endville area from the Endville store North to Sherman and from the Endville store South down the four-lane to Pitts Loop, Brassfield Road, Cherry Creek Road and North to the Cherry Creek Crossing subdivision. Phase 1 of this project includes 198 PEPA poles and phase 2 will include about 400 poles. These are all main line poles and do not include service poles. MaxxSouth will attach to the Association poles and will pay pole rental.

The Manager informed the Board they had copies of Thank You notes received during the month in their packets.

The Manager recommended one contribution for December 2020. Upon a motion duly made by Nicky Moore, seconded by Terry Chunn, and approved unanimously, the Board approved a contribution of \$200 to the Pontotoc Chapter of the Salvation Army.

The Manager then announced upcoming Holiday closings: Christmas Eve 12/24/2020, Christmas Day 12/25/2020, and New Year's Day 01/01/2021.

The Board's next regular meeting was scheduled for Wednesday, January 6, 2021 at 9 AM at the Association's Pontotoc office. The Manager reminded the Board to dress appropriately for Board pictures to be taken at the January meeting.

At the Manager's request and upon a motion duly made by Nicky Moore, seconded by Bobby Duke, and approved unanimously, the Board voted to go into Executive Session for the purpose of the reading of the minutes of the Board's November 4, 2020 Executive Session and a discussion of personnel matters. Later, upon a motion duly made by Terry Oaks, seconded by Allen Simmons, and approved unanimously, the Board voted to adjourn the Executive Session and return to Regular Session.

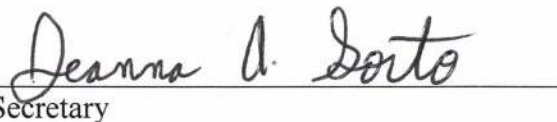
At this time, the Board President presented a plaque to Allen Simmons for 3 years of dedicated service from January 1, 2018 to December 31, 2020 and a plaque to Richard Watkins for 32 years of dedicated service from October 7, 1988 to December 31, 2020.

There being no further business, and upon a motion duly made by Nicky Moore, seconded by Jeff Washington, and unanimously approved, the meeting was adjourned.

Approved:



President



Secretary