

MINUTES OF REGULAR MEETING OF DIRECTORS

August 29, 2023

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, August 29, 2023, at the Headquarters facility. The meeting was called to order at 8:25 AM by President Hicks. Present for the meeting were:

Paul Hicks, President
Kevin Liefer, Vice President
Randall Campbell, Sec.-Treasurer
Mary Jo Homan
Paul Pyatt
Ken Jarrett
Steve Prest
Rick Asaturian
Kevin Bame

Shane Hermetz, GM/EVP
Brad Austin
Travis Deterding
Jennifer Nugent
Brooke Guthman
Cheryl Bauersachs

Casey Twomey, Attorney
Cindy Krisby
Julie Loesing
Roni Croxell

MEMBER and GUEST COMMENTS: N/A

RECESS: The Board went into recess at 8:26 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:30 AM.

The **CONSENT AGENDA**, consisting of the consideration of the prior month's board meeting minutes, review of the list of checks written during the prior month, the Equity Analysis report, Capital Credit Estate Refunds (\$1515.23) for the month, the EECA Safety Report, the EECA ROW Report, the EECA Strategic Scorecard, the Regulatory Report, and the Outage Report were approved on a motion by Mr. Prest and seconded by Ms. Homan, motion carried.

AIEC and SIPC REPORTS: Mr. Prest announced that AIEC's new fiscal year has begun. He noted that no general council has been hired yet, which is saving money. He also added that the annual auction generated approximately \$19,000, which he believed may be a record. Mr. Prest also mentioned that the Illinois General Assembly recently vetoed two bills related to the utility industry. Discussion followed.

Mr. Hermetz gave the SIPC report, explaining that it's been a good year overall for SIPC, with expenses down and sales down. He added that discussions continue among SIPC leadership about potential future energy sources and power supply challenges. Discussion followed. He also briefly recapped the recent MISO event, and updated the board that new SIPC rates will be unveiled at the end of August.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. Mr. Austin updated the Board on new and ongoing construction projects, including the installation of an automatic switch at Walker's Bluff and the latest on renewable natural gas at the landfill. Mr. Austin also provided an update on supply chain challenges, EECA's chargers that are now live, and the recent findings from the RESAP inspection. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report, providing information on recent worldwide cyber-attacks, and an update on day-to-day IT upgrades and issues at the cooperative. The camera system has been updated, and IT is currently working on installing security cameras at every EECA substation. Discussion followed.

MEMBER SERVICES REPORT: Mrs. Guthman presented the Member Services Report. Copies of the upcoming month's Illinois Country Living center section, the employee newsletter, and the ICL Page 6 ad were presented in the Board materials. Mrs. Guthman discussed unclaimed Capital Credits, noting the \$111,975 in unclaimed credits across approximately 2,000 members. Discussion followed.

Mrs. Guthman added that EECA is working with AIEC to update the substation map and service territory map. She also presented a letter from Gilster Mary Lee about consideration for REDLG.

FINANCIAL REPORT: Mrs. Bauersachs presented the Human Resources and Finance Report. She shared a recap for the monthly finances, reporting that the total margin for July 2023 was \$543,109.62 vs budget of \$258,708.99. Operating Revenue was \$4,277,736.89 up 9.4% from July last year at \$3,909,852.43. KWH sales were 29,838,561 down 2.8% from last July at 30,688,383. KWH purchases were 31,147,220 a decrease of 2.8% from July last year at 32,060,770. Variance of Major Costs from budget was Power Cost \$192,313.14 lower, Distribution Expense \$60,680.83 lower, Depreciation \$9,222.34 lower, Interest Expense \$7,725.28 higher, Customer Expenses \$10,895.55 higher, Sales Expense \$3,682.00 lower, and General and Administrative Expenses were \$22,018.51 lower.

LEGAL REPORT: Attorney Casey Twomey discussed the takeaways from a recent legal seminar she and Mrs. Sanders attended. Following the seminar, the attorneys agreed it was best to review all EECA policies and form templates and continue the process of condensing and digitizing paper files. Legal will continue to work with management on the review of policies and forms for updating.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. He notified the Board of upcoming training courses that are available and noted that budget reports have been submitted. Mr. Hermetz discussed the addition of EV chargers and a possible deployment schedule as the budget allows. Discussion continued on the recent MISO event and on the letter concerning REDLG from Gilster Mary Lee.

Mr. Hermetz continued the conversation about policy review following a meeting with the attorneys. Following advice from legal counsel, Mr. Hermetz suggested that the Board review four policies a month, with the goal of reviewing all 97 policies within two years.

OTHER BUSINESS:

Mr. Bame made a motion to retire unclaimed capital credits to the General Fund. Mary Jo Homan seconded. The motion passed.

Mr. Campbell made a motion to accept changes to Policy 109, and Mr. Prest seconded. Motion carried.

Mr. Pyatt made a motion to accept changes to Policy 511, and Mr. Bame seconded. Motion carried.

Mr. Liefer made a motion to approve the 2024 Board Meeting dates. Mr. Asaturian seconded. Motion passed.

Mr. Bame made a motion to set the date for the 2024 Annual Meeting to July 11, 2024, at 6 p.m. Mr. Jarrett seconded. Motion passed.

Mr. Prest made a motion to set the 2024 Nominating Committee Date for May 14, 2024, at 6 p.m. Mr. Campbell seconded. Motion passed.

EXECUTIVE SESSION: The Board of Directors entered into executive session at 11:29 AM to discuss governance matters and continued discussion concerning area electric cooperatives. The Board returned from executive session at 12:00 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, September 26, 2023. There being no further business to come before the Board of Directors, upon a motion and a second, and a vote taken thereof, the meeting was adjourned at 12:01 PM.

Date Approved: September 26, 2023

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM