

MINUTES OF REGULAR MEETING OF DIRECTORS

May 28, 2024

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 28, 2024, at the Headquarters facility. The meeting was called to order at 8:16 AM by President Hicks. Present for the meeting were:

| | | |
|------------------------------|-----------------------|------------------------|
| Paul Hicks, President | Shane Hermetz, GM/EVP | Casey Twomey, Attorney |
| Kevin Liefer, Vice President | Cindy Krisby | Travis Deterding |
| Mary Homan | Jeremy Thies | Julie Loesing |
| Paul Pyatt | Jennifer Nugent | Roni Croxell |
| Ken Jarrett | Cheryl Bauersachs | |
| Kevin Bame | Brad Austin | |
| Rick Asaturian | Brooke Guthman | |
| Steve Prest | | |

ABSENT: Randall Campbell, Sec.-Treasurer

MEMBER and GUEST COMMENTS:

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 (\$866.92) 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 Mr. Jarrett, motion carried.

AIEC and SIPC REPORTS: Mr. Hermetz referred Directors to Mr. Campbell's AIEC Report found in Call to Order.

Mr. Liefer provided an update from the SIPC Power Delivery Committee, noting that an annual budget has been approved with no rate increase. He added that the committee approved a per diem increase at SIPC from \$400 to \$500. Additionally, the process for nominating officers was also discussed.

Mr. Prest provided an update from the SIPC Power Production Committee. He also provided updates on recent proposals and coal supply.

Mr. Hermetz provided information on the latest developments and potential projects within AIEC and SIPC, including the extension of a carbon contract with Knight Hawk Coal and the potential for a green concrete manufacturer on site at SIPC. Discussion followed. Ranger Power's recent addition of solar battery storage was also discussed, as well as the shared services contract with SIPC for Demand Response messaging.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report, starting with an update on the recent storm damage in southern Illinois and nearby states. He detailed any impacts on our system and identified the locations where our linemen have been dispatched to assist other cooperatives.

He provided the latest updates on legislation moving through the Illinois legislature that may affect solar installations, as well as current EECA projects, noting ongoing supply chain issues. He added that out-of-town solar installers are still operating in the area and providing misleading information to members and the general public. EECA is calling each member who signs up for solar to gauge their understanding of their agreement. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report giving a progress update on projects including the construction of two new offices in the former records room and the plan for construction of the storage building. He added that scam attempts nationwide are at an all-time high, but our software is holding.

MEMBER SERVICES REPORT: Ms. 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. Ms. Guthman reviewed the Payment Avoidance policy to clarify the process for handling members with bad debt

attempting to connect service on a new account. She noted that Member Services will assist SIPC with its Demand Response messaging. She also reported that preparations for the annual meeting are ongoing, outlining the planned activities and entertainment for families on the night of the meeting.

FINANCIAL REPORT: Ms. Bauersachs presented the Human Resources and Finance Report. Total margin for May 2024 was \$266,313.49 vs budget of -\$12,486.21. Operating Revenue was \$3,505,213.03 up 2.4% from May last year at \$3,422,715.75. KWH sales were 23,447,567 up 2.1% from last May at 22,966,398. KWH purchases were 24,555,822 an increase of 3.2% from May last year at 23,790,042. Variance of Major Costs from budget was Power Cost \$93,634.03 lower, Distribution Expense \$142,050.61 lower, Depreciation \$18,921.49 lower, Interest Expense \$14,823.17 lower, Customer Expenses \$9,372.48 lower, Sales Expense \$4,260.88 lower, and General and Administrative Expenses were \$26,463.78 lower.

Ms. Bauersachs also presented options regarding the retirement of Capital Credits. Five options were presented, and the Board unanimously approved a 100% retirement for the years 1993 and 1994, totaling \$1,583,320.

LEGAL REPORT: Attorney Casey Twomey gave a recap of the annual NRECA Legal Seminar, noting that it was very informative in the areas of cyber, and regulatory given the EPA Power Plant ruling. Ms. Twomey says the process continues to review all EECA policies. Legal will continue to work with management to review policies and forms for updating. Legal will also continue to update the Board on legislative impacts to EECA policies and make needed recommendations.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. He reviewed system damage sustained during recent storms in or near EECA service territory, adding that EECA was fortunate to have minimal damage. He also reviewed the cost of solar installations to the cooperative. Discussion followed. Mr. Hermetz also discussed recent grant opportunities, shared service agreements, and projects related to electricity and fiber internet in southern Illinois.

OTHER BUSINESS:

Upon a motion by Mr. Liefer and seconded by Mr. Prest and a vote taken thereafter, the Board approved by majority vote to **approve the retirement of \$1, 583,320 in Capital Credits representing 100% for the years 1993 and 1994.**

Upon a motion by Mr. Pyatt and seconded by Mr. Prest and a vote taken thereafter, the Board approved by majority vote to **issue bill credits for Capital Credit returns less than \$500 instead of checks, to minimize check fraud.**

EXECUTIVE SESSION: The Board of Directors entered executive session at 11:32 AM to address governance matters. They exited executive session at 12:06 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, June 25, 2024. 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 12:07 PM.

Date Approved: June 25, 2024

Randall Campbell, Board Secretary/Treasurer

Recorded by Roni Croxell, Communications Coordinator