

MINUTES OF REGULAR MEETING OF DIRECTORS
January 31, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, January 31, 2017 at the Steeleville office. The meeting was called to order at 8:30AM by President Jarrett. Present for the meeting were:

Ken Jarrett, Pres.	Allen Haake	James Riddle, EVP/GM
Steve Prest, Vice. Pres.		M. Shane Hermetz, Staff
Paul Hicks, Sec.-Treasurer	Kevin Liefer	Art Pontow, Staff
Randall Campbell	Paul Pyatt	Dennis Luehr
Larry Ebers	Sarah Taylor, Attorney	

Mike McKee, Rural Development, USDA, was also in attendance.

Gil Kroening was absent.

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held December, 2016, review the list of checks written during the prior month (the EVP/GM expenses were reviewed by the Secretary/Treasurer), the prior month's treasurer's report, capital credit estate refunds (\$0.00), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Campbell, and seconded by Mr. Hicks.

SIPC DIRECTOR REPORTS: The SIPC reports were given by Mr. Haake, Mr. Liefer, Mr. Pyatt and Mr. Riddle. A motion was made to approve these reports by Mr. Campbell, seconded by Mr. Prest, motion carried.

CAPITAL PROJECTS & REGULATORY: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He gave the regulatory report update.

FINANCIAL REPORTS: Mr. Pontow presented the financials for the previous month for review. Net margin for December is \$702K vs budget margin of \$245K. This includes SIPC capital credit allocation of \$1,552,336. Electric Revenue at \$3,055,733 up 1.0% from December last year at \$3,024,224 and YTD at \$38,519,389 vs \$39,738,409 for December last year down 3.1%. KWH sales at 26,000,819 up 2.6% from December last year at 25,352,915 and YTD at 331,170,597 vs 345,718,091 for December last year down 4.2%. KWH purchases at 37,279,746 up 28.5% from December last year at 29,013,042 and YTD at 353,499,374 vs 355,500,217 down .6%. On Major Cost Analysis Power Cost was up \$298,257, Labor down \$31,809, Fringes down \$33,092, Depreciation up \$6,319, ROW Maintenance down \$6,210, Interest Expense down \$20,848, Transportation Expense down \$4,358, Line, Meter and Transformer Maintenance down \$13,246, Director Expense down 10,155 and Computer Maintenance up \$8,507. Pontow also provided an update of the State of Illinois and SIU accounts. He also updated the board on recent activities with the Illinois Attorney General's office about pre-pay and LIHEAP programs in Illinois.

STAFF REPORTS: Luehr reported on current items they are involved in.

LEGAL REPORT: Attorney Taylor reported on the status of new Carbondale substation site.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report. Items of correspondence and complaints were shared. A goals update was given. It was recommended to continue the PCA credit as is. He asked who planes to attend the NRECA course 2610.1 and Course 961.1 and are there any updates/changes for the 2017 NRECA annual meeting. Riddle also gave an update on the KEB audit dates, discussions on net metering and the EECA Rate/ Cost of Service study being done by the AIEC. Riddle discussed the proposed letter of understanding with IBEW on a home dispatch program. He then discussed a recent meeting with newly elected Senator Fowler and Representative Severin. There was also an update on the Southern Services, LLC and postponed safety luncheon. Upon a motion by Mr. Haake, seconded by Mr. Pyatt, the manager's report was approved.

OTHER BUSINESS:

A **headquarters committee report** was given by Haake, Riddle, and Hermetz. The board established a \$395,000 asking price for the current Murphysboro facility.

Upon a motion by Mr. Hicks, seconded by Mr. Ebers, all EECA **directors were authorized to attend the SIPC annual meeting** to be held on March 30, 2017 @ 1:00PM.

Upon a motion by Mr. Prest, seconded by Mr. Ebers, the board confirmed that Kevin Liefer, Al Haake, Paul Pyatt and Jim Riddle would continue as **the EECA representatives on the SIPC board** at their March 2017 annual meeting.

Upon a motion by Mr. Liefer, seconded by Mr. Pyatt. , the board **set the EECA annual meeting date** for Thursday, July 20, 2017, 6:30PM at the Steeleville American Legion. Motion unanimously carried.

Upon a motion by Mr. Haake, seconded by Mr. Ebers, the board **set the EECA Nominating Committee meeting date** for Tuesday, May 9, 2017, 6:30PM at the Steeleville office. Motion unanimously carried.

Mike McKee from Rural Development, USDA was in attendance to discuss the possible **REDLG grant/loan for the Degognia-Fountain Bluff water pump project.**

EXECUTIVE SESSION: The board entered executive session at 11:54AM and returned to regular session at 12:26PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, February 21, 2017.

There being no further business to come before the Board of Directors, the meeting was adjourned at 12:27PM.

Date Approved February 21, 2017

Paul Hicks, Secretary

Recorded by Jim Riddle