

MINUTES OF REGULAR MEETING OF DIRECTORS
October 25, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, October 25, 2016, beginning 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 Prese, Vice. Pres.	Gil Kroening	M. Shane Hermetz, Staff
Paul Hicks, Sec.-Treasurer		Art Pontow, Staff
Randall Campbell	Paul Pyatt	Dennis Luehr
Larry Ebers	Bill Broom, Attorney	Brooke Guthman, Staff
		Bart Swisher, Staff

Kevin Liefer was absent.

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held September, 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 (\$9,483.89), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Pyatt, and seconded by Mr. Prest.

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

CAPITAL PROJECTS & REGULATORY: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He gave the regulatory report update. Upon a motion by Mr. Campbell, seconded by Mr. Haake, the **2017 line extension rates** were unanimously approved beginning 1-1-2017. A copy of those rates are attached to these minutes.

FINANCIAL REPORTS: Mr. Pontow presented the financials for September 2016 for review. Net margin for September is \$334K vs budget loss of \$256K. Electric Revenue at \$3,518,004 up 6.4% from September last year at \$ 3,305,943 and YTD at \$29,649,879 vs \$31,082,389 for September last year down 4.6%. KWH sales at 30,765,266 up 6.9% from September last year at 28,766,933 and YTD at 256,137,679 vs 272,727,285 for September last year down 6.1%. KWH purchases at 28,306,926 up 4.7% from September last year at 27,027,968 and YTD at 266,357,901 vs 276,917,937 down 3.8%. On Major Cost Analysis Power Cost was up \$129,228, Labor down \$18,119, Fringes down \$31,149, ROW Maintenance down \$22,740, Interest Expense down \$11,230, Transportation Expense down \$6,372, Line, Meter and Transformer Maintenance down \$9,258, Directors' Expense down \$2,727 and Computer Maintenance up \$5,909. Pontow also provided an update of the State of Illinois and SIU accounts. He then discussed financing options for the new headquarters. Upon a motion by Mr. Campbell, seconded by Mr. Haake, staff was authorized to **proceed with setting up a \$12 million line of credit with CFC to cover the construction of the headquarters.** The motion was unanimously carried.

STAFF REPORTS: Guthman, Luehr and Swisher reported on current items they are involved in.

LEGAL REPORT: Attorney Broom discussed the new Carbondale substation site and resolution to come, a proposed capital credit estate retirement procedure and worksheet to be followed by staff and the liquidation of the Carbondale Clinic (not a natural person) and the request to pay their capital credits. This is contrary to the Bylaws of the Cooperative.

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. Riddle presented 2017 preliminary budget items for EECA. He asked who stills plans to attend the 2017 NRECA annual meeting and and asked who was interested in attending NRECA course 943.1 on November 2nd at the AIEC. Upon a motion by Mr. Campbell, seconded by Mr. Kroening, the manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Pyatt, seconded by Mr. Haake, the **amendment to Policy 106, Attendance at Board Meetings by Members or Other Persons** was unanimously approved. Copy included with these minutes.

Upon a motion by Mr. Kroening, seconded by Mr. Hicks, **Kevin Liefer was named the EECA delegate and Jim Riddle the alternate to the upcoming ICWCG/RSI annual meeting.** This was unanimously approved.

Upon a motion by Mr. Prest, seconded by Mr. Ebers, the **2017 EECA meeting dates** were unanimously approved.

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, the **2017 EECA annual meeting was set for Thursday, July 20, 2017 beginning at 6:30PM at the Steeleville American Legion.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, the **new Rate Schedule L, Private Outdoor Light,** was unanimously approved. Copy included with these minutes.

A **headquarters committee report** was given by Haake, Riddle, Hermetz and Guthman.

EXECUTIVE SESSION: none

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, November 29, 2016.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:44AM.

Date Approved November 29, 2016

Paul Hicks, Secretary

Recorded by Jim Riddle