

MINUTES OF REGULAR MEETING OF DIRECTORS
November 29, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, November 29, 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
	Kevin Liefer	Art Pontow, Staff
Randall Campbell	Paul Pyatt	Dennis Luehr, Staff
Larry Ebers	Bill Broom, Attorney	Brooke Guthman, Staff
		Bart Swisher, Staff

Paul Hicks was absent.

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held October, 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 (\$12,696.00), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Campbell, and seconded by Mr. Prest.

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. Kroening, seconded by Mr. Prest, motion carried.

CAPITAL PROJECTS & REGULATORY: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He also gave the regulatory report update. Hermetz then discussed the 11-17-16 EPA inspection at the Murphysboro facility. No significant issues expected.

FINANCIAL REPORTS: Mr. Pontow presented the financials for October 2016 for review. Net margin for October is \$334K vs budget margin of \$86K. Electric Revenue at \$3,068,143 up 5.8% from October last year at \$ 2,899,875 and YTD at \$32,718,022 vs \$33,982,261 for October last year down 3.7%. KWH sales at 26,231,948 up 6.2% from October last year at 24,699,463 and YTD at 282,367,713 vs 297,426,632 for October last year down 5.1%. KWH purchases at 24,154,635 up 1.2% from October last year at 23,872,785 and YTD at 290,512,536 vs 300,790,722 down 3.4%. On Major Cost Analysis Power Cost was down \$19,100, Labor down \$38,815, Fringes down \$41,604, Depreciation up \$4,413, ROW Maintenance up \$3,808, Interest Expense down \$7,174, Transportation Expense down \$5,551, Line, Meter and Transformer Maintenance down \$7,349, Directors' Expense down \$4,438 and Computer Maintenance up \$6,022. Pontow also provided an update of the State of Illinois and SIU accounts. He discussed what the process is for Easy Pay accounts at locations with landlord agreements.

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

LEGAL REPORT: Attorney Broom discussed an Illinois Landowners suit against a private, for profit, company wants to build high voltage, direct current, lines into Illinois without allowing others access to those lines. Broom also discussed amending Policy 108. Upon a motion by Mr.

Haake, seconded by Mr. Liefer, **Policy 108, General Retirement of Capital Credits**, was unanimously amended. A copy is made a part of these minutes.

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 for now. He asked who plans to attend the NRECA course 2600.1, Director Duties & Liabilities on January 5th and are there any updates/changes for the 2017 NRECA annual meeting. Riddle proposed **adding Policy, 113, Use of Remote Connect/Disconnect Devices**. Upon a motion by Mr. Campbell, seconded by Mr. Haake, adding Policy 113 was unanimously approved. Also, upon a motion by Mr. Campbell, seconded by Mr. Pyatt, **Policy 519, Power Quality was amended** by unanimous approval. The changes were suggested by our insurance carrier, Federated. Copies of these policies are made a part of these minutes. Upon a motion by Mr. Kroening, seconded by Mr. Haake, the manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Haake, seconded by Mr. Campbell, **the IBEW Multi-Employer and Clerical Agreement contracts extension from 1-1-17 to 12-31-21**, were unanimously approved. A copy is made a part of these minutes.

Upon a motion by Mr. Haake, seconded by Mr. Pyatt, after discussion, the **2017 EECA Budget** was unanimously approved.

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

Upon a motion by Mr. Campbell, seconded by Mr. Prest, **the CFC Certificate of Resolutions and Incumbency**, was unanimously approved. A copy is made a part of these minutes.

Upon a motion by Mr. Pyatt, seconded by Mr. Kroening, **the CFC Revolving Line of Credit Agreement**, was unanimously approved. A copy is made a part of these minutes.

Upon a motion by Mr. Pyatt, seconded by Mr. Liefer, **the staff was directed to proceed with a CFC loan forward lock on a 35 year loan in the amount of \$12,000,000. The loan shall be locked to the fixed rate on January 1, 2018**, were unanimously approved. A copy is made a part of these minutes.

EXECUTIVE SESSION: none

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, December 20, 2016.

There being no further business to come before the Board of Directors, the meeting was adjourned at 12:13PM.

Date Approved December 20, 2016

Paul Hicks, Secretary

Recorded by Jim Riddle