

**MINUTES OF REGULAR MEETING OF DIRECTORS**  
**December 20, 2016**

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, December 20, 2016, beginning at the Steepleville 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.	Gil Kroening	M. Shane Hermetz, Staff
Paul Hicks, Sec.-Treasurer	Kevin Liefer	Art Pontow, Staff
Randall Campbell	Paul Pyatt	Dennis Luehr
Larry Ebers	Bill Broom, Attorney	Brooke Guthman, Staff
		Bart Swisher, Staff

**MEMBER COMMENTS:** no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held November, 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 (\$25,016.25), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Kroening, 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. Campbell, 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 November 2016 for review. Net margin for November is negative \$233K vs budget margin of \$82K. Electric Revenue at \$2,745,634 up .5% from November last year at \$ 2,731,924 and YTD at \$35,463,656 vs \$36,714,185 for November last year down 3.4%. KWH sales at 22,802,181 down .6% from November last year at 22,938,541 and YTD at 305,169,778 vs 320,365,290 for November last year down 4.7%. KWH purchases at 25,707,092 essentially flat from November last year at 25,696,453 and YTD at 316,219,628 vs 326,487,175 down 3.1%. On Major Cost Analysis Power Cost was down \$290,023, Labor down \$10,189, Fringes down \$10,924, Depreciation up \$5,511, ROW Maintenance down \$2,504, Interest Expense down \$8,485, Transportation Expense down \$5,515, Line, Meter and Transformer Maintenance down \$12,746, and Computer Maintenance up \$5,426. Pontow also provided an update of the State of Illinois and SIU accounts.

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

**LEGAL REPORT:** Attorney Broom had nothing additional to report this month.

**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 plans to attend the NRECA course 2600.1, Director Duties & Liabilities on January 5<sup>th</sup>, NRECA Course 2610.1, Understanding the Electric Business and are there any updates/changes for the 2017 NRECA annual meeting. Riddle informed the board of that the 2017

IRS mileage rate is 53.5 cents. He discussed the past year's employee safety record. Finally discussed possible proposed changes to the net metering policy. Upon a motion by Mr. Kroening, seconded by Mr. Hicks, the manager's report was approved.

**OTHER BUSINESS:**

A **headquarters committee report** was given by Haake, Riddle, Hermetz and Guthman. Management was directed to proceed with the sale of the Murphysboro facility and to hold off on the sale of any part of the Steeleville facility at this time.

**EXECUTIVE SESSION:** The board entered executive session at 11:25AM to discuss employee issues and returned to regular session at 11:45AM

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, January 31, 2017.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:46AM.

Date Approved January 31, 2017

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Paul Hicks, Secretary

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Recorded by Jim Riddle