

MINUTES OF REGULAR MEETING OF DIRECTORS
February 23, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, February 23, 2016, at the Steeleville office. The meeting was called to order at 8:30AM by Vice-President Jarrett. Present for the meeting were:

Ken Jarrett, Vice-Pres.	Paul Hicks	James Riddle, EVP/GM
Steve Prest, Secretary	Kevin Liefer	M. Shane Hermetz, Staff
Larry Ebers	Paul Pyatt	Art Pontow, Staff
Allen Haake	Bill Broom, Attorney	Dennis Luehr, Staff
		Brooke Guthman, Staff

Randall Campbell and Gil Kroening was absent.

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held January 26, 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 (\$15,402.78), 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. Liefer, Mr. Pyatt and Mr. Riddle. A motion was made to approve these reports by Mr. Hicks, seconded by Mr. Ebers, motion carried.

MAJOR CAPITAL PROJECTS / IT: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He gave the regulatory report update. In IT, Mr. Hermetz discussed the current activities.

FINANCIAL REPORTS: Mr. Pontow presented the financials for January 2016 for review. Net margin for January is a loss of \$471K vs budgeted margin of \$249K. Electric Revenue at \$3,297,788 down 13.6% from January last year at \$ 3,815,778. KWH sales at 28,295,719 down 17.1% from January last year at 34,119,284. KWH purchases at 37,648,550 down 5.2% from January last year at 39,712,322. On Major Cost Analysis Power Cost was down \$ 162,718, Director Expenses down \$10,121, Line, Meter and Transformer Maintenance up \$6,462 and Computer Maintenance up \$ 6,219 while most of the remaining costs were close to budget. Pontow also provided an update of the State of Illinois accounts and the amounts owed.

LEGAL REPORT: Attorney Broom discussed the new Carbondale sub site possible survey issue and the Finney facility property lien.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report. Items of correspondence were shared. A goals update was given. It was recommended to continue the PCA credit as is. An audit update was given. The March 31st SIPC annual meeting was discussed. A report by Liefer, Haake and Riddle was given on the February 10th Southern

Services, LLC meeting. Give away items and attendance prizes were discussed for the EECA annual meeting as well as an auction item for the upcoming AIEC annual meeting. Riddle asked who plans to attend the ACES member conference on June 2 & 3. The General Manager's annual performance review process was discussed. There is to be an informal review on even number years. A proposed revision to Policy 209, Personal Use of Company Vehicles was presented for review as well as a proposed revision to Policy 519, Power Quality. It is intended to ask for approval or continued review of these policies at the March board meeting. Changes in EECA member rate schedules were proposed for discussion this month with the intention to ask for approval or continued discussion at the March board meeting. Finally, Riddle discussed the request for quotes for Cyber Liability Insurance coverage now being offered through Federated Rural Electric Insurance. Finally the EECA current water heater program was discussed. Upon a motion by Mr. Haake, second by Mr. Hicks, the manager's report was approved.

OTHER BUSINESS:

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

The following members were appointed by the Board of Directors to the 2016 Nominating and Credentials Committee: Donald Stallman, Daniel Gobert, Russell Biggs, Dwayne Mulholland, Richard Fager, Stuart Langrehr, Roger Morganstern, John Helmers and Kenneth Hollmann.

EXECUTIVE SESSION: None

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

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:19AM.

Date Approved March 29, 2016

Steve Prest, Secretary

Recorded by Jim Riddle