

MINUTES OF REGULAR MEETING OF DIRECTORS
March 29, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, March 29, 2016, at the Steeleville office. The meeting was called to order at 8:30AM by President Campbell. Present for the meeting were:

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

Paul Hicks and Gil Kroening were absent. Bill Borgognoni and Scott Satterlee of White & Borgognoni Architects and Tom Buchheit of BRiC were also present for an update on the proposed new facility. Mark Dallas and Anna Guetersloh of KEB Accounting were in attendance to present the audit for the year ended 12-31-2015.

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held February 23, 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 (\$7,870.83), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Jarrett, 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. Ebers, seconded by Mr. Prest, 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 February 2016 for review. Net margin for Feb is \$436K vs budgeted loss of \$28K. Electric Revenue at \$3,923,637 down 4.3% from Feb last year at \$ 4,099,446 and YTD at \$7,221,424 vs \$7,915,224 for Feb last year down 8.8%. KWH sales at 35,131,093 down 5.6% from Feb last year at 37,210,536 and YTD at 63,426,591 vs 71,329,590 for Feb last year down 11.1%. KWH purchases at 32,083,756 down 18.4% from Feb last year at 39,295,529 and YTD at 69,732,306 vs 79,007,851 down 11.7%. On Major Cost Analysis Power Cost was down \$322,775, Labor down \$8,713, Fringes down \$12,458, ROW Maintenance up \$34,183, Director Expense up \$9,210 while the remaining costs were close to budget. Pontow also provided an update of the State of Illinois accounts and the amounts owed. A group from the AIEC, including Riddle, will be meeting with the Governor's office on March 30th to discuss the payment issue.

LEGAL REPORT: Attorney Broom discussed an issue with the new substation site property in Carbondale, progress on the purchase of the Finney property and a recent Illinois Supreme Court ruling on the State of Illinois payment obligations.

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. The March 31st SIPC annual meeting was discussed. A proposed revision to Policy 519, Power Quality, and to Policy 117, Use of Prepay Billing System, were reviewed. It is intended to ask for approval or continued review of this policy at the April board meeting. Riddle discussed the quotes for **Cyber Liability Insurance coverage** received Federated Rural Electric Insurance. Upon a motion by Mr. Pyatt, seconded by Mr. Haake, the motion to purchase \$1 million Cyber coverage was unanimously approved. Guthman informed the board that we have received 8 applications for this year's Youth to Washington tour. Guthman also informed the board that EECA will host another E-Cycle/Shredding day at Murphysboro on April 2nd from 9AM until 1PM. Riddle informed the board of the hiring of two new employees. Eric Turner was hired to replace Guthman upon her promotion and Bart Swisher is the new IT manager. The upcoming AIEC annual meeting arrangements were discussed. Finally, Riddle discussed the possible sale of EECA property located on Ziegler Mine Road. More about this will be discussed next month. Upon a motion by Mr. Liefer, second by Mr. Jarrett, the manager's report was approved.

OTHER BUSINESS:

For more than two hours a **Facilities committee report** was given by the consultants present, Haake, Riddle, Hermetz and Guthman. After considerable discussion a motion by Mr. Haake, seconded by Mr. Pyatt, the committee was authorized to proceed to the fifty percent detailed drawings stage.

Upon a motion by Mr. Haake, seconded by Mr. Ebers, the proposed **revision to Policy 205, Employee – Major Medical Insurance Group Insurance Plan** was unanimously approved. Copy attached to these minutes.

Upon a motion by Mr. Prest, seconded by Mr. Pyatt, James B. Riddle was authorized to execute all documents necessary to **amend the NRECA 401(k) Pension Plan Adoption Agreement “A” and the Retirement Security Plan**. Copy of resolution is attached to these minutes.

Upon a motion by Mr. Haake, seconded by Mr. Jarrett, the proposed **revision to Policy 209, Personal Use of Company Vehicles**, was unanimously approved. Copy attached to these minutes.

Upon a motion by Mr. Liefer, seconded by Mr. Ebers, the proposed **revision to EECA Rate Schedules** were unanimously approved. Copies attached to these minutes.

Upon a motion by Mr. Pyatt, and second by Mr. Jarrett, the **KEB audit report** for the year ended December 31, 2015 was approved as presented by Mark Dallas. They rendered an unmodified opinion of the cooperative financial statements.

EXECUTIVE SESSION: The board entered executive session at 12:45PM to review the Executive Vice President/General Manager performance and salary. The board exited executive session at 12:56PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, April 26, 2016.

There being no further business to come before the Board of Directors, the meeting was adjourned at 12:57PM.

Date Approved April 26, 2016

Steve Prest, Secretary

Recorded by Jim Riddle