

MINUTES OF REGULAR MEETING OF DIRECTORS
March 28, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, March 28, 2017 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 Prest, Vice. Pres.		M. Shane Hermetz, Staff
Paul Hicks, Sec.-Treasurer	Kevin Liefer	Art Pontow, Staff
Randall Campbell	Paul Pyatt	Dennis Luehr, Staff
Larry Ebers	Bill Broom, Attorney	Brooke Guthman, Staff

Gil Kroening was absent.

Mike McKee, USDA/RDA, Mark Dallas and Anna Guetersloh of KEB were also in attendance.

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held February, 2017, 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 (\$15,027.53), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Prest, and seconded by Mr. Hicks.

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. Campbell, seconded by Mr. Ebers, 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 the previous month for review. Net margin for Feb is \$499K vs budgeted loss of \$55K. Electric Revenue at \$3,669,714 down 6.5% from Feb last year at \$ 3,923,637 and YTD at \$7,724,205 vs \$7,221,424 for Feb last year up 7.0%. KWH sales at 32,576,794 down 7.3% from Feb last year at 35,131,093 and YTD at 69,163,883 vs 63,426,591 up 9.0% from Feb last year. KWH purchases at 26,860,288 down 16.3% from Feb last year at 32,083,756 and YTD at 61,974,373 vs 69,732,306 down 11.1% from Feb last year. On Major Cost Analysis Power Cost was down \$ 615,731, Labor down \$16,924, Fringes up \$715, Depreciation down \$6,422, ROW Maintenance up \$7,148, Interest Expense down \$14,479, Director Expenses down \$3,450, Line, Meter and Transformer Maintenance down \$6,779. Pontow also provided an update of the State of Illinois and SIU accounts.

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

LEGAL REPORT: Attorney Broom discussed possible vacated land adjacent to the current Murphysboro facility and the Cooperatives Article of Incorporation possible changes to be discussed again in April.

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 also gave an update on the EECA Rate/ Cost of Service study being done by the AIEC. Riddle reminded the board of the SIPC annual meeting to be held March 30th and that there were 8 applicants for the Youth Tour. Riddle asked for attendees and dates of rooms for the AIEC annual meeting and training to be held July 26-28. Also discussed was the LIHEAP /Prepay discussions with the Illinois Attorney General's office, Discussions with the IBEW about sick leave abuse resolution process, rubber gloving and the Letter of Understanding about the Steeleville after-hours response and home dispatch. Finally, the recent tornado damage and FEMA/IEMA were discussed. Upon a motion by Mr. Haake, seconded by Mr. Campbell, the manager's report was approved.

OTHER BUSINESS:

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

An update was given on the possible **REDLG grant for the Degognia-Fountain Bluff pump project and REDLG loan for the S I Airport**. Mike McKee was in attendance to answer questions.

Upon a motion by Mr. Liefer, and second by Mr. Haake, the **KEB audit report** for the year ended December 31, 2016 was approved as presented by Mark Dallas and Anna Guetersloh. In their opinion, the financial statements referred to present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2016 and 2015. KEB issued an unmodified opinion.

EXECUTIVE SESSION: The board entered executive session at 11:28AM to review the General Manager's performance and salary. They returned to regular session 12:20PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Thursday, April 20, 2017.

There being no further business to come before the Board of Directors, the meeting was adjourned at 12:21PM.

Date Approved April 20, 2017

Paul Hicks, Secretary

Recorded by Jim Riddle