

MINUTES OF REGULAR MEETING OF DIRECTORS
April 20, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Thursday, April 20, 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.	Gil Kroening	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	Bart Swisher, Staff

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held March, 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 (\$6,456.77), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Pyatt, and seconded by Mr. Haake.

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 gave the regulatory report update.

FINANCIAL REPORTS: Mr. Pontow presented the financials for the previous month for review. Net deficit for Mar is \$188K vs budgeted loss of \$130K. Electric Revenue at \$2,984,380 down 15.5% from Mar last year at \$ 3,531,545 and YTD at \$10,708,585 vs \$10,752,969 for Mar last year down .4%. KWH sales at 25,088,333 down 18.2% from Mar last year at 30,688,714 and YTD at 94,252,216 vs 94,115,187 up .1% from Mar last year. KWH purchases at 28,035,049 up 6.3% from Mar last year at 26,379,263 and YTD at 90,009,422 vs 96,111,569 down 6.3% from Mar last year. On Major Cost Analysis Power Cost was down \$ 249,474, Labor down \$24,397, Fringes down \$28,877, Depreciation down \$6,506, ROW Maintenance down \$35,574, Interest Expense down \$14,223, Director Expenses up \$12,522, Line, Meter and Transformer Maintenance down \$13,844. Pontow also provided an update of the State of Illinois and SIU accounts. Pontow & Luehr also presented preliminary information from the cost of service study.

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

LEGAL REPORT: Attorney Broom discussed the Board's Roles and Fiduciary Duties/Responsibilities and Conflict of Interest (all directors signed the conflict of interest certification as provided in Policy 220 – Ethics Policy). Broom then discussed a proposal to amend the Cooperatives Article of Incorporation. Upon a motion by Mr. Campbell, and seconded by Mr. Kroening, it was unanimously **decided to propose the attached changes to the Articles of Incorporation** to the membership at the 2017 EECA annual meeting. Broom also discussed an easement issue with Williamson County and an U. S. Appellate 8th Circuit Court ruling on use of an easement for fiber optics.

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 asked if there were specific items or issues that the board would like to discuss at their 2017 strategic planning meeting. Riddle then asked who currently planned to attend the 2017 NRECA Region 5 meeting in September. Hicks, Jarrett, Kroening & Prest expressed interest in attending. Also, the Cooperative Prepay & LIHEAP program were discussed. Upon a motion by Mr. Haake, seconded by Mr. Prest, the manager's report was approved.

OTHER BUSINESS:

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

Mr. Campbell, and second by Mr. Hicks, and a vote taken, the **strategic planning meeting was set for August 15, 2015 beginning at 8:30AM.**

Mr. Jarrett will be **the Cooperative representative** and Mr. Prest will be **the alternate for the 2017 NRECA Region 5 meeting** per board standing resolution.

Mr. Riddle did the **annual review of the following policies** with the board:

- Policy 112 Privacy Principles for Member Information
- Policy 211 Safety Policy
- Policy 220 Business Ethics
- Policy 222 Whistleblower Complaint Procedure & Anti-Retaliation
- Policy 229 Cyber Security Plan
- Policy 401 Qualifications for Directorship
- Policy 402 Functions of the Board of Directors
- Policy 406 Compliance with Title VI of the Civil Rights Act
- Policy 407 Equal Employment Opportunity

EXECUTIVE SESSION: The board entered executive session at 11:51AM. They returned to regular session at 1:12PM.

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

There being no further business to come before the Board of Directors, the meeting was adjourned at 1:12PM.

Date Approved May 30, 2017

Paul Hicks, Secretary

Recorded by Jim Riddle