

MINUTES OF REGULAR MEETING OF DIRECTORS
May 24, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 24, 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.	Paul Hicks	James Riddle, EVP/GM
Ken Jarrett, Vice-Pres.	Gil Kroening	M. Shane Hermetz, Staff
Steve Prest, Secretary	Kevin Liefer	Art Pontow, Staff
Larry Ebers	Paul Pyatt	
Allen Haake	Bill Broom, Attorney	Brooke Guthman, Staff

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held April, 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 (\$2,270.40), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Jarrett, and seconded by Mr. Kroening.

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. Hicks, 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 April 2016 for review. Net margin for April is \$151K vs budget loss of \$120K. Electric Revenue at \$2,897,257 down 10.6% from April last year at \$ 3,242,281 and YTD at \$13,650,226 vs \$15,373,241 for April last year down 11.2%. KWH sales at 24,702,306 down 12.7% from April last year at 28,308,437 and YTD at 118,817,378 vs 137,745,584 for April last year down 13.7%. KWH purchases at 23,181,918 down 1.8% from April last year at 22,775,414 and YTD at 119,293,487 vs 133,418,130 down 10.6%. On Major Cost Analysis Power Cost was down \$60,264, Labor down \$21,880, Fringes down \$16,498, ROW Maintenance down \$10,686, Director Expense down \$8,527, Line, Meter and Transformer Maintenance down \$18,913, Transportation down \$7,826 and Computer Maintenance up \$31,162. Pontow also provided an update of the State of Illinois accounts. Upon a motion by Mr. Haake, seconded by Mr. Liefer, a **Certificate of Resolutions and Incumbency for the CFC loan request** motion was unanimously approved (a copy of the resolution is attached to these minutes).

LEGAL REPORT: Attorney Broom discussed the proposed Carbondale substation property legal description issue, the purchase of the SIPC and Bigham properties for the proposed new facility, Board's roles and fiduciary duties/responsibilities and conflict of interest (all director's signed the annual conflict of interest certification).

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 Nominating Committee meeting report was discussed and the board was informed that the Patronage Capital allocation for 2015 margins was in the May Illinois Country Living magazine. The July 21st EECA annual meeting was discussed and the performance review forms for the Board and Attorney were discussed. Riddle confirmed those who plan to attend the Pre-AIEC annual meeting course on July 27th. Finally, Riddle presented a request from Degognia & Fountain Bluff Levee District for a donation for new electric pumps. After discussion it was agreed that EECA would donate \$2000, which is within the budget parameters. Upon a motion by Mr. Prest, second by Mr. Hicks, the manager's report was approved.

OTHER BUSINESS:

A **Facilities committee report** was given by Haake, Riddle, Hermetz and Guthman. Also the Strategic Planning date was moved to August 17, 2016 to use a review of facility bids.

Upon a motion by Mr. Pyatt, seconded by Mr. Haake, the **minutes of the Special Board meeting held on May 5, 2016**, were unanimously approved.

Upon a motion by Mr. Jarrett, seconded by Mr. Kroening, a **\$500 contribution to the CFC integrity Fund for all purposes**, was unanimously approved.

Upon a motion by Mr. Haake, seconded by Mr. Hicks, **Ken Jarrett was certified as Board of Director for AIEC and Paul Hicks as alternate**. Motion was unanimously approved.

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: none.

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, June 28, 2016.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:13AM.

Date Approved June 28, 2016

Steve Prest, Secretary

Recorded by Jim Riddle