

MINUTES OF REGULAR MEETING OF DIRECTORS
May 30, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 30, 2017 at the Steepleville office. The meeting was called to order at 8:30AM by President Jarrett. Present for the meeting were:

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| 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 | |
| | Paul Pyatt | Brooke Guthman, Staff |
| Larry Ebers | Sarah Taylor, Attorney | Bart Swisher, Staff |

Randall Campbell was absent.

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held April, 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 (\$13,917.60), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Pyatt, and seconded by Mr. Liefer.

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. 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: The financials for the previous month were presented for review. Net margin for April is \$363K vs budgeted loss of \$131K. Electric Revenue at \$3,042,957 up 5.0% from April last year at \$ 2,897,257 and YTD at \$13,751,542 vs \$13,650,226 for April last year up .7%. KWH sales at 26,302,769 up 6.5% from April last year at 24,702,306 and YTD at 120,554,876 vs 118,817,378 up 1.5% from April last year. KWH purchases at 22,556,035 down 2.7% from April last year at 23,181,918 and YTD at 112,565,457 vs 119,293,487 down 5.6% from April last year. On Major Cost Analysis Power Cost was down \$ 96,866, Labor down \$18,198, Fringes down \$24,787, Depreciation down \$5,345, ROW Maintenance down \$40,911, Interest Expense down \$13,216, Director Expenses down \$7,634, Line, Meter and Transformer Maintenance down \$32,809. An update was also provided of the State of Illinois and SIU accounts along with an update on progress being made on the cost of service/rate study.

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

LEGAL REPORT: Attorney Taylor discussed no further contact concerning Cypress Gardens and that the legal description issue for the new Carbondale substation has been resolved.

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. A report of the Nominating committee meeting was given. It was reported that the patronage

capital allocation for 2016 margins were reported in the May issue of the Illinois County Living magazine and there was also a discussion about the 2017 EECA annual meeting. Board evaluation forms were distributed with return envelopes to Mr. Jarrett and the new IEC rate comparison was discussed. A letter to the AIEC from the Office of the Illinois Attorney General pertaining to Illinois Cooperatives Prepay programs was reviewed and discussed. Upon a motion by Mr. Hicks, seconded by Mr. Kroening, the manager's report was approved.

OTHER BUSINESS:

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

Upon a motion by Mr. Hicks, seconded by Mr. Haake, and a vote taken thereon, it was unanimously approved **to contribute \$500 to the CFC System Integrity Fund** in 2017.

Upon a motion by Mr. Haake, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously approved to **adopt a Resolution Authorizing the Amendment and Restatement of the Retirement Security and/or Pension Plan.**

EXECUTIVE SESSION: The board entered executive session at 10:50AM. They returned to regular session at 11:55AM. They exited with the following information: 1) effective July 1, 2017 Shane Hermetz will be appointed to serve as EECA's SIPC director and 2) effective August 1, 2017 Shane Hermetz will be appointed as the interim-manager while the board conducts a replacement search.

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, June 27, 2017.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:55AM.

Date Approved June 27, 2017

Paul Hicks, Secretary

Recorded by Jim Riddle