

MINUTES OF REGULAR MEETING OF DIRECTORS

June 28, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, June 28, 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.
Ken Jarrett, Vice-Pres.
Steve Prest, Secretary
Larry Ebers
Allen Haake

Paul Hicks
Gil Kroening
Kevin Liefer
Paul Pyatt
Bill Broom, Attorney

James Riddle, EVP/GM
M. Shane Hermetz, Staff
Art Pontow, Staff
Dennis Luehr, Staff
Brooke Guthman, Staff

Bill Borgognoni & Scott Satterlee (WBA) and Tom Buchheit (Bric) were also present to explain the 95% completion drawing and documents for the proposed new facility.

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held May, 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 (\$2,433.88), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Liefer, 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. Jarrett, seconded by Mr. Prest, motion carried.

CAPITAL PROJECTS / IT / REGULATORY: 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 May 2016 for review. Net margin for May is loss of \$185K vs budget loss of \$184K. Electric Revenue at \$2,690,941 up 2.1% from May last year at \$ 2,635,808 and YTD at \$16,341,166 vs \$18,009,049 for May last year down 9.3%. KWH sales at 22,288,651 up 2.2% from May last year at 21,818,686 and YTD at 141,105,916 vs 159,564,156 for May last year down 11.8%. KWH purchases at 23,736,099 down .5% from May last year at 23,848,295 and YTD at 143,029,586 vs 157,266,425 down 9.1%. On Major Cost Analysis Power Cost was down \$128,116, Labor down \$10,876, Fringes down \$10,773, ROW Maintenance down \$16,114, Director Expense down \$3,880, Line, Meter and Transformer Maintenance down \$13,579, Transportation down \$5,662. Pontow also provided an update of the State of Illinois and SIU accounts.

LEGAL REPORT: Attorney Broom discussed the recently close on SIPC and Bigham properties transaction. He also discussed the continuing issues with the proposed Carbondale substation site.

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 July 21st EECA annual meeting was discussed. Riddle asked if there were items/issues that the board would like added to the August 17th strategic planning meeting agenda. The upcoming AIEC pre-annual meeting attendance as reviewed. Guthman reviewed the 2015 EECA top accounts by

revenue. The 2015 IRS Form 990 was emailed to all directors on 6/20/16. Upon a motion by Mr. Haake, seconded by Mr. Liefer, the manager's report was approved.

OTHER BUSINESS:

A **Facilities committee report** was given by Bill Borgognoni, , Scott Satterlee, Tom Buchheit, Haake, Riddle, Hermetz and Guthman. After considerable discussion and upon a motion by Mr. Jarrett, seconded by Mr. Prest, it was unanimously approved to give authority to management and WBA to solicit bids for a new EECA facility.

Upon a motion by Mr. Prest, seconded by Mr. Haake, Mr. Jarrett was appointed as the representative to the NRECA Region 5 meeting in September and Mr. Hicks was appointed to be the alternate representative. They were unanimously approved.

EXECUTIVE SESSION: none.

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

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:38AM.

Date Approved July 26, 2016

Paul Hicks, Secretary

Recorded by Jim Riddle