

## MINUTES OF REGULAR MEETING OF DIRECTORS

June 27, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, June 27, 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.		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	Brooke Guthman, Staff
	Bill Broom, Attorney	Bart Swisher, Staff
		Dennis Luehr, Staff

Allen Haake and Larry Ebers were absent.

**MEMBER COMMENTS:** no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held May 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 (\$2,705.63), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Hicks, and seconded by Mr. Liefer.

**SIPC DIRECTOR REPORTS:** The SIPC reports were given by Mr. Liefer, Mr. Pyatt and Mr. Riddle. A motion was made to approve these reports by Mr. Campbell, 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 deficit for May is \$198K vs budgeted loss of \$272K. Electric Revenue at \$2,670,431 down .8% from May last year at \$ 2,690,941 and YTD at \$16,421,973 vs \$16,341,166 for May last year up .5%. KWH sales at 21,706,570 down 2.6% from May last year at 22,288,651 and YTD at 142,261,222 vs 141,105,916 up .8% from May last year. KWH purchases at 24,845,580 up 4.7% from May last year at 23,736,099 and YTD at 137,411,037 vs 143,029,586 down 3.9% from May last year. On Major Cost Analysis Power Cost was down \$ 63,875, Labor up \$1,418, Fringes down \$12,237, Depreciation down \$5,016, ROW Maintenance down \$9,770, Interest Expense down \$10,766, Director Expenses down \$5,336, Line, Meter and Transformer Maintenance up \$2,022.

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. A **change in accounting procedures** was also discussed. Management plans to request approval to **account for unbilled revenue by 12/31/17**. This has been discussed with KEB auditing firm and they are supportive since it will become mandatory no later than 12/31/18. An update on the EECA **Cost of Service study** was also reviewed.

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

Upon a motion by Mr. Kroening, seconded by Mr. Campbell, management was instructed to comply immediately with **Accounting Standard update 2014-9, FASB ASC 606-10, (Unbilled Revenue)**. A vote was taken and the motion was unanimously passed.

**LEGAL REPORT:** Attorney Broom discussed the status of the Cypress Gardens subdivision agreement with Williamson County and the status of the Calnon Property acquisition.

**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 discussed upcoming meetings that EECA directors will be attending. Riddle thanked the board for the years of employment he had the opportunity to serve at Egyptian. Upon a motion by Mr. Kroening, seconded by Mr. Liefer, the manager's report was approved.

**OTHER BUSINESS:**

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

Upon a motion by Mr. Kroening, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously approved to **retain realtor Rolf Schilling for the sale of the Murphysboro District office.**

Upon a motion by Mr. Campbell, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously approved to **amend Policy 301, Withdrawal of Cooperative Funds.** Copy made a part of these minutes.

Upon a motion by Mr. Pyatt, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **give management authority to amend any and all policies and forms that reference Steeleville and/or Murphysboro due to the relocation to the new headquarters facility.**

Upon a motion by Mr. Liefer, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously approved the **CFC e-Pay/Paying Agent Service Board Resolution.** Copy made a part of these minutes.

Upon a motion by Mr. Pyatt, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously approved the **Regions Banking Authorization Resolution.** Copy made a part of these minutes.

**EXECUTIVE SESSION:** The board entered executive session at 11:23 AM. They returned to regular session at 11:44 AM.

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, July 25, 2017. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:45 AM.

Date Approved July 25, 2017

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Paul Hicks, Secretary

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Recorded by Shane Hermetz