

MINUTES OF REGULAR MEETING OF DIRECTORS
August 30, 2016

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, August 30, 2016, 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	Dennis Luehr
Larry Ebers	Bill Broom, Attorney	Brooke Guthman, Staff
		Bart Swisher, Staff

Al Haake was absent.

REQUEST FOR MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held July, 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 (\$2,266.79), the AIEC report, the safety report, and the outage report, was approved on a motion by Mr. Pyatt, and seconded by Mr. Prest.

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. Kroening, 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. Swisher discussed the current activities.

FINANCIAL REPORTS: Mr. Pontow presented the financials for July 2016 for review. Net margin for July is loss of \$160K vs budget loss of \$112K. Electric Revenue at \$3,398,267 up 1.8% from July last year at \$ 3,336,571 and YTD at \$22,546,758 vs \$24,137,438 for July last year down 6.6%. KWH sales at 29,750,210 up 2.9% from July last year at 28,920,433 and YTD at 194,349,141 vs 211,895,006 for July last year down 8.3%. KWH purchases at 31,652,795 down 4.8% from July last year at 33,236,129 and YTD at 205,744,118 vs 219,924,277 down 6.4%. On Major Cost Analysis Power Cost was down \$8,221, Labor up \$24,074, Fringes up \$6,826, ROW Maintenance down \$26,813, Interest Expense up \$4,420, Transportation Expense up \$4,779, Line, Meter and Transformer Maintenance down \$8,369 and Computer Maintenance up \$5,936. Pontow also provided an update of the State of Illinois and SIU accounts. He also discussed the proposed draw of \$2 million of long-term debt from CFC to replace current short-term borrowings.

STAFF REPORTS: Guthman and Luehr each reported on current items they are involved in.

LEGAL REPORT: Attorney Broom discussed the sale of an unused one quarter-acre parcel of land to Mr. & Mrs. Michael Prest. Upon a motion by Mr. Campbell, second by Mr. Pyatt, **the sale of the one quarter-acre parcel of land** was unanimously approved. Broom also discussed a continuing issue with the proposed additional 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. Riddle then discussed proposed amendments to Policy 106, Attendance by Members or Others at Meetings of the Board of Directors, to add clarity to that policy. Upon a motion by Mr. Prest, seconded by Mr. Kroening, the manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Liefer, seconded by Mr. Ebers, the **Certificate of Resolution and Incumbency for the CFC long-term loan** was unanimously approved. Copy is made a part of these minutes.

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, the **minutes of the August 17, 2016 Strategic Planning meeting** were unanimously approved.

EXECUTIVE SESSION: The board entered executive session at 11:09AM and returned to regular session at 11:53AM.

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

Upon a motion by Mr. Pyatt, seconded by Mr. Kroening, the **new facility bid from Samron Midwest Contracting in the approximate amount of \$9.5 million, which excludes alternate bid No. 6 for the materials storage building**, was unanimously approved.

MEETINGS: The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, September 27, 2016.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:53AM.

Date Approved September 27, 2016

Paul Hicks, Secretary

Recorded by Jim Riddle