

**MINUTES OF REGULAR MEETING OF DIRECTORS**  
**August 29, 2017**

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, August 29, 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.	Larry Ebers	Shane Hermetz, Int. GM
Steve Prest, Vice. Pres.	Gil Kroening	Art Pontow, Staff
Paul Hicks, Sec.-Treasurer	Kevin Liefer	Dennis Luehr, Staff
Randall Campbell	Paul Pyatt	Brooke Guthman, Staff
Allen Haake	Bill Broom, Attorney	Bart Swisher, Staff

**MEMBER COMMENTS:** no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held June 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 (\$18,055.98), the AIEC report, the safety report, and the outage report, were approved on a motion by Mr. Campbell and seconded by Mr. Pyatt.

**SIPC DIRECTOR REPORTS:** The SIPC reports were given by Mr. Liefer, Mr. Haake, Mr. Pyatt, and Mr. Hermetz. A motion was made to approve these reports by Mr. Prest seconded by Mr. Ebers, 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. Operating margin for July 2017 was -\$281,299.18 vs budget of -\$114,236.33. Electric Revenue was \$3,366,749.14 down 1.79% from July last year at \$3,427,979.55 and YTD at \$22,867,135.23 was up 0.59% from July of last year at \$22,732,036.49. KWH sales were 28,989,851 down 2.56% from last July at 29,750,210 and YTD sales were 196,075,389 up 0.89% from a year ago at 194,349,141. KWH purchases were 33,882,147 an increase of 7.04% from July last year at 31,652,795. YTD purchases were 200,670,003 down 2.47% from last year at 205,744,118. Variance of Major Costs from budget was Power Cost \$112,208 higher, Labor \$1,016 higher, Fringes \$15,280 higher, Depreciation \$3,260 lower, ROW Maintenance \$15,087 lower, Interest expense \$7,007 higher, Director expense \$6,349 lower, and Line, Meter and Transformer Maintenance lower by \$20,281. 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 and the options on financing short term and long-term debt.

**MEMBER SERVICES REPORT:** Mrs. Guthman reported on the current and pending Member Services projects. She also provided copies of the upcoming month's Illinois Country Living center section and Page 11 ad.

**IT REPORT:** Mr. Swisher reported on the current and pending IT projects.

**OFFICE MANAGER REPORTS:** Mr. Pontow reported on the current and pending Office and billing activities. Mr. Pontow also discussed the proposed rate schedule changes that were discussed at Strategic Planning.

**LEGAL REPORT:** Attorney Broom discussed the recent Articles of Incorporation change and the status of the Calnon Property acquisition.

**INTERIM MANAGER'S REPORT:** Mr. Hermetz presented the Interim Manager's report. Items of correspondence and complaints were shared. A goals update was given. It was recommended to adjust the PCA credit from 3.5 mill to 1.5 mill. Mr. Hermetz presented a draft policy to govern the parameters of the Rural Economic Development Loan/Grant Program (REDLG). Mr. Hermetz presented proposed changes to sections 4.04 and 4.05 of the Cooperative by-laws. Mr. Hermetz also discussed recent discussions with IBEW regarding efforts to clarify language in the existing collective bargaining agreement. Hermetz discussed upcoming meetings that EECA directors will be attending. Upon a motion by Mr. Kroening, seconded by Mr. Ebers, the interim manager's report was approved.

**OTHER BUSINESS:**

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

Upon a motion by Mr. Haake, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **approve the STRATEGIC PLANNING meeting minutes from August 15, 2017.**

Upon a motion by Mr. Campbell, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously approved to **amend the physical property address that appears in Board policy 107 - Member Access to Cooperative Information, Board policy 216 - Web Privacy, and Board policy 304 - Expense Accounts.**

**EXECUTIVE SESSION:** The board entered executive session at 11:22 AM. They returned to regular session at 12:01 PM.

Upon a motion by Mr. Campbell, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously approved to **amend Board policy 227 – EVP/GM Job Description.**

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the Steeleville office beginning at 8:30AM on Tuesday, September 26, 2017. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:02 PM.

Date Approved September 26, 2017

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Paul Hicks, Secretary

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Recorded by Shane Hermetz