

MINUTES OF REGULAR MEETING OF DIRECTORS
September 26, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, September 26, 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	Sarah Taylor, Attorney
Randall Campbell	Paul Pyatt	
Allen Haake	Bill Broom, Attorney	

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held August 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 (\$8,028.95), the AIEC report, the safety report, the regulatory report, and the outage report were approved on a motion by Mr. Pyatt and seconded by Mr. Campbell.

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. Hicks, motion carried.

CAPITAL PROJECTS & REGULATORY: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He also gave an update on member accounts that are interconnected to the Cooperative and producing electricity from a renewable resource.

FINANCIAL REPORTS: The financials for the previous month were presented for review. Operating margin for August 2017 was \$134,115.33 vs budget of -\$204,920.33. Electric Revenue was \$3,601,125.92 down 0.36% from August last year at \$3,613,975.73 and YTD at \$26,486,261.15 was up 0.46% from August of last year at \$26,346,012.22. KWH sales were 31,498,246 up 1.53% from last August at 31,023,512 and YTD sales were 227,574,427 up 0.98% from a year ago at 225,373,453. KWH purchases were 29,826,881 a decrease of 7.68% from August last year at 32,306,857. YTD purchases were 230,496,884 down 3.17% from last year at 238,050,975. Variance of Major Costs from budget was Power Cost \$119,474 lower, Labor \$48,760 lower, Fringes \$35,583 lower, Depreciation \$2,724 lower, ROW Maintenance \$49,133 higher, Interest expense \$8,932 lower, Director expense \$14,373 higher and Line, Meter and Transformer Maintenance lower by \$6,560. An update was also provided on the status of the State of Illinois and SIU accounts along with an update on progress being made on the cost of service/rate study.

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

IT REPORT: Mr. Hermetz reported on the current and pending IT projects. He discussed the current status of IT installations at the headquarters building and the timeline for completion of said projects.

OFFICE MANAGER REPORTS: Mr. Pontow reported on the current and pending Office and billing activities. Mr. Pontow also discussed how the security breach at Equifax affects our ability to run risk assessments on new members. He also presented the proposal to retire \$639,715 of capital credits later this year.

LEGAL REPORT: Attorney Broom discussed the status of the Calnon Property acquisition. He informed the Board that a closing date has been set for Friday September 29, 2017.

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 1.5 mill to zero. Mr. Hermetz discussed the recent mutual aid efforts to assist a Cooperative in Georgia (Satilla REMC) as they required assistance after the recent hurricane. Mr. Hermetz presented a draft policy to govern the parameters of the Rural Economic Development Loan/Grant Program (REDLG). Mr. Hermetz also presented draft policy changes to Policy 117 – Use of Prepayment Systems, Policy 104 – Security Deposits, and Policy 109 – Disconnection for Non-Payment. Mr. Hermetz presented proposed changes to sections 4.04 and 4.05 of the Cooperative by-laws. Hermetz discussed upcoming meetings that EECA directors will be attending. Upon a motion by Mr. Liefer, seconded by Mr. Haake, the interim manager's report was approved.

OTHER BUSINESS:

A **headquarters committee report** was given by Haake and Hermetz

Upon a motion by Mr. Haake, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **approve the 2018 EECA Goals.**

Upon a motion by Mr. Kroening, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously approved to **amend rate schedules A, C, and LP-1 and to create a new rate schedule, Schedule B – Small Commercial – Single Phase.**

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously approved to **set the 2018 Annual meeting date and time for 6:30PM on Tuesday July 17, 2018; to be held at the Steeleville American Legion.**

EXECUTIVE SESSION: The board entered executive session at 11:05 AM. They returned to regular session at 12:04 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, October 31, 2017. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:05 PM.

Date Approved October 31, 2017

Paul Hicks, Secretary

Recorded by Shane Hermetz