

MINUTES OF REGULAR MEETING OF DIRECTORS
October 31, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, October 31, 2017 at the Headquarters facility. 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	

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of minutes of the board meeting held September 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 (zero for the month), the AIEC report, the safety report, the regulatory report, and the outage report were approved on a motion by Mr. Campbell and seconded by Mr. Haake.

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. Kroening, 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 September 2017 was \$216,936.28 vs budget of -\$208,701.33. Electric Revenue was \$3,319,537.22 down 6.50% from September last year at \$3,550,260.00 and YTD at \$29,787,798.37 was down 0.36% from September last year at \$29,896,272.22. KWH sales were 28,529,383 down 7.27% from last September at 30,765,266 and YTD sales were 256,102,787 down 0.01% from a year ago at 256,137,679. KWH purchases were 27,202,122 a decrease of 3.90% from September last year at 28,306,926. YTD purchases were 257,699,006 down 3.25% from last year at 266,357,901. Variance of Major Costs from budget was Power Cost \$63,309 higher, Labor \$26,559 lower, Fringes \$16,015 lower, Depreciation \$2,054 lower, ROW Maintenance \$1,208 lower, Interest expense \$4,551 lower, Director expense \$238 lower and Line, Meter and Transformer Maintenance lower by \$31,324. 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: Mrs. Guthman 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: In the absence of Mr. Swisher, Mr. Hermetz reported on the current and pending IT projects.

OFFICE MANAGER REPORTS: Mr. Pontow reported on the current and pending Office and billing activities.

LEGAL REPORT: Attorney Broom discussed the substation property located on Pleasant Hill road has closed and is now owned by EECA. Mr. Broom recommended to the Board that a motion to sell the Murphysboro office property will be required.

Upon a motion by Mr. Haake and seconded by Mr. Pyatt and a vote taken thereon, it was unanimously approved to **proceed with the sale of the Murphysboro office property located at 10169 Old Highway 13, Murphysboro, IL.**

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 leave the PCA at zero. Mr. Hermetz presented the 1st draft of the 2018 Budget. Mr. Hermetz also presented proposed changes to sections 4.04 and 4.05 of the Cooperative By-Laws. Mr. Hermetz discussed the 2018 NRECA annual meeting and requested a list of Director attendees. Upon a motion by Mr. Campbell, seconded by Mr. Hicks, the interim manager's report was approved.

OTHER BUSINESS:

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

Upon a motion by Mr. Campbell, seconded by Mr. Haake, and a vote taken thereon, it was unanimously approved to **amend policy 218 Nepotism.**

Upon a motion by Mr. Haake, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously approved to **amend policy 104 Security Deposit, to amend policy 109 Disconnection for Nonpayment, and to amend policy 117 Use of prepayment Systems.**

Upon a motion by Mr. Kroening, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved the **2018 EECA meeting dates.**

Upon a motion by Mr. Campbell, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously approved to select **Kevin Liefer as EECA delegate and Shane Hermetz as Alternate Delegate to the upcoming ICWCG/RSI annual meeting.**

EXECUTIVE SESSION: The board entered executive session at 11:45 AM. They returned to regular session at 1:14 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, November 28, 2017. There being no further business to come before the Board of Directors, the meeting was adjourned at 1:15 PM.

Date Approved November 28, 2017

Paul Hicks, Secretary

Recorded by Shane Hermetz