

MINUTES OF REGULAR MEETING OF DIRECTORS
November 28, 2017

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, November 28, 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, GM/EVP
Steve Prest, Vice. Pres.	Gil Kroening	Bart Swisher, 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 October 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. Hicks 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. Kroening seconded by Mr. Prest, motion carried.

CAPITAL PROJECTS & REGULATORY: Mr. Hermetz reported on the current and pending Engineering and Operations projects. He gave an update on member accounts that are interconnected to the Cooperative and producing electricity from a renewable resource. He also present information from neighboring Cooperatives and how many members they have producing electricity from a renewable resource.

FINANCIAL REPORTS: The financials for the previous month were presented for review. Operating margin for October 2017 was \$166,913.17 vs budget of -\$59,975.67. Electric Revenue was \$3,104,507.09 up 0.25% from October last year at \$3,096,656.50 and YTD at \$32,892,305.46 was down 0.30% from October last year at \$32,992,928.72. KWH sales were 25,873,634 down 1.37% from last October at 26,231,948 and YTD sales were 281,976,421 down 0.14% from a year ago at 282,367,713. KWH purchases were 25,700,594 an increase of 6.40% from October last year at 24,154,635. YTD purchases were 283,399,600 down 2.45% from last year at 290,512,536. Variance of Major Costs from budget was Power Cost \$85,842 higher, Labor \$50,522 lower, Fringes \$46,268 lower, Depreciation \$19,815 higher, ROW Maintenance \$20,130 higher, Interest expense \$2,746 lower, Director expense \$9,212 lower and Line, Meter and Transformer Maintenance lower by \$25,888. An update was also provided on the accounting change in recognizing unbilled revenue and the change in board reports to reflect this change.

MEMBER SERVICES REPORT: Mrs. Guthman reported on recent activities at the employee Member Services workgroup meeting, along with 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. He also gave an update to IT projects related to the HQ facility.

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

LEGAL REPORT: Attorney Broom reported there were no legal issues to discuss.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. Items of correspondence and complaints were shared. A goals update was presented. It was recommended to leave the PCA at zero, but may need to change next month due to rate increases from SIPC. Mr. Hermetz presented the 2nd draft of the 2018 Budget. He also presented revised rate schedules for discussion detailing the proposed rate adjustment for 2018. Mr. Hermetz discussed the current status of punch list items at the HQ facility. Mr. Hermetz proposed a new policy, policy 309, Rural Economic Development Program. Mr. Hermetz discussed the 2018 NRECA annual meeting and requested a list of Director attendees. Upon a motion by Mr. Haake, seconded by Mr. Ebers, the interim manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Hicks, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **name AIEC as our Proxy and allowing AIEC to cast a vote on our behalf for Touchstone Energy Directors election in December 2017.**

Upon a motion by Mr. Pyatt, seconded by Mr. Haake, and a vote taken thereon, it was unanimously approved to **adopt the FY2018 Budget.**

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously approved to **amend policy 117 Use of Prepayment Systems.**

Upon a motion by Mr. Liefer, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously approved to **adopt the 2018 Line Extension pricing.**

EXECUTIVE SESSION: The board entered executive session at 12:15 PM. They returned to regular session at 1:15 PM.

Upon a motion by Mr. Campbell, seconded by Mr. Kroening and a vote taken thereon, it was unanimously approved to **approve the minutes of the Special Board meeting held November 14, 2017.**

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on MONDAY, December 18, 2017. There being no further business to come before the Board of Directors, the meeting was adjourned at 1:16 PM.

Date Approved December 18, 2017

Paul Hicks, Secretary

Recorded by Shane Hermetz