

MINUTES OF REGULAR MEETING OF DIRECTORS

January 30, 2018

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, January 30, 2018, at the Headquarters facility. The meeting was called to order at 8:37AM by President Jarrett. Present for the meeting were:

Ken Jarrett, Pres.	Paul Pyatt	Art Pontow, Staff
Steve Prest, Vice. Pres.	Larry Ebers	Bart Swisher, Staff
Paul Hicks, Sec.-Treasurer	Bill Broom, Attorney	Dennis Luehr, Staff
Randall Campbell	Shane Hermetz, GM/EVP	Brooke Guthman, Staff

Absent: Kevin Liefer, Allen Haake, & Gilbert Kroening

MEMBER COMMENTS: no attendees

The **CONSENT AGENDA**, consisting of the consideration of prior month's board meeting minutes, 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 (\$13,765.40 for the month), the AIEC report, the safety report, the recent NRECA RESAP inspection results, the regulatory report, and the outage report were approved on a motion by Mr. Hicks and seconded by Mr. Pyatt.

SIPC DIRECTOR REPORTS: The SIPC reports were given by Mr. Pyatt and Mr. Hermetz. Mr. Hermetz also discussed recent events at NRECA, at AIEC, and reminded the Board of the recent changes to the ACRE program; the ACRE year for 2018 has been adjusted to follow the calendar year and that ACRE dues for 2018 are now required. A motion was made to approve these reports by Mr. Prest seconded by Mr. Campbell, motion carried.

ENGINEERING\OPERATIONS REPORT: 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. A brief discussion on the current status of renewable energy projects in the EECA area took place.

FINANCIAL REPORTS: The financials for the previous month were presented for review. Operating margin for December 2017 was \$-282,727.01 vs budget of \$421,314.63. Electric Revenue was \$3,491,632.47 up 12.80% from December last year at \$3,095,462.60 and YTD at \$39,355,402.70 was up 1.29% from December last year at \$38,853,654.20. KWH sales were 35,472,498 up 0.5% from last December at 35,298,728 and YTD sales were 334,028,249 down 1.2% from a year ago at 338,187,217. KWH purchases were 36,117,441 a decrease of 3.1% from December last year at 37,279,746. YTD purchases were 347,216,237 down 1.8% from last year at 353,499,374. Variance of Major Costs from budget was Power Cost \$107,818 higher, Labor \$25,068 lower, Fringes \$27,116 lower, Depreciation \$14,540 higher, ROW Maintenance \$39,203 higher, Interest expense \$3,259 lower, Director expense \$5,766 lower and Line, Meter and Transformer Maintenance higher by \$1,479. EECA revenue recognition procedure changed in December 2017 as required by Accounting Standards Update No. 2014-09 to include Unbilled Revenue. KWH sales include Unbilled KWH beginning December 2017. For comparison purposes, 2016 KWH sales were adjusted to include Unbilled KWH. The current status of the State of Illinois accounts was also discussed.

MEMBER SERVICES REPORT: Mrs. Guthman reported on recent activities at the employee Member Services workgroup meeting, along with current and pending Member Services projects. Mrs. Guthman also updated the Board on current member usage of payment kiosk systems 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. Pontow reported on the current and pending Office and billing activities. Mr. Pontow also discussed the current telephone traffic patterns during specific time of any given month.

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 alone. Mr. Hermetz discussed the recent Safety Accreditation inspection (RESAP), he proposed a \$100,000 budget amendment to the FY2018 budget to cover any and all uncategorized budget expenses that may occur in FY2018, and he discussed possible changes that may need to occur for the 2018 Annual Meeting. Mr. Hermetz also discussed the recent review of 100 series policy review, finding Policy 102 – Policy Origin, needed amending. Upon a motion by Mr. Campbell, seconded by Mr. Prest, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Hicks, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously approved to **amend the FY2018 budget, adding \$100,000 to the FY2018 budget to cover budget discrepancies that may occur in the upcoming budget year.**

Upon a motion by Mr. Hicks, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **authorize a Board resolution adopting and approving the USDA Rural Economic Development Loan and Grant Program Agreements.**

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously approved to **authorize the IBEW Multi-Employer Agreement, ending December 31, 2021.**

Upon a motion by Mr. Campbell, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously approved to **authorize the EECA - IBEW Clerical Agreement, ending December 31, 2021.**

Upon a motion by Mr. Pyatt, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously approved to **authorize all Directors to attend the 2018 SIPC Annual meeting on March 29, 2018.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **confirm Kevin Liefer, Allen Haake, Paul Pyatt, and Shane Hermetz as SIPC Directors for 2018.**

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously approved to **set the 2018 Nominating Committee meeting date for May 8, 2018 6:30PM.**

EXECUTIVE SESSION: The board entered executive session at 11:55 AM. They returned to regular session at 12:44 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, February 20, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:45 PM.

Date Approved January 30, 2018

Paul Hicks, Secretary

Recorded by Shane Hermetz