

MINUTES OF REGULAR MEETING OF DIRECTORS
February 20, 2018

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, February 20, 2018, at the Headquarters facility. The meeting was called to order at 8:31AM 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	Allen Haake	Dennis Luehr, Staff
Randall Campbell	Shane Hermetz, GM/EVP	Brooke Guthman, Staff
Kevin Liefer	Bill Broom, Attorney	

Absent: 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 (\$3,014.20 for the month), the AIEC report, the safety report, the regulatory report, and the outage report were approved on a motion by Mr. Haake and seconded by Mr. Hicks.

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. Campbell seconded by Mr. Prest, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Hermetz reported on the current and pending Engineering and Operations projects. Projects in the Construction Work Plan were discussed. He gave an update on member accounts that are interconnected to the Cooperative and producing electricity from a renewable resource.

FINANCIAL REPORTS: Mr. Luehr presented the Human Resources and Finance Report. The financials for the previous month were presented for review. Operating margin for January 2018 was \$131,824.56 vs budget of \$-325,703.05. Operating Revenue was \$4,656,118.14 up 13.85% from January last year at \$4,089,682.96. KWH sales were 36,665,425 up 18.9% from last January at 33,352,895. KWH purchases were 42,313,207 an increase of 20.5% from January last year at 35,114,085. Variance of Major Costs from budget was Power Cost \$530,994.11 higher, Distribution Expense \$70,209.63 lower, Depreciation \$8,563.64 lower, Interest Expense \$70.74 higher, Customer Expenses \$9,166.90 higher, Sales Expense \$1,063.86 lower, and General and Administrative Expenses were \$23,532.54 lower. The current status of the State of Illinois accounts was also discussed. Mr. Luehr also discussed the project underway to review all payment methods and establish a cost factor for each payment method.

MEMBER SERVICES REPORT: Mrs. Guthman reported on current and pending Member Services projects. Mrs. Guthman also updated the Board on current member usage of payment kiosk systems and automated telephone payment systems. She also provided copies of the upcoming month's Illinois Country Living center section and Page 11 ad. Mrs. Guthman presented the Board with the recent application for REDLG funding from SI Airport. The project is currently under review.

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. He reported that the NISC report generating software named MOSIAC had been installed and employees will be scheduled for system training in the coming weeks.

OFFICE MANAGER REPORTS: Mr. Pontow reported on the current and pending Office and billing activities. Mr. Pontow also discussed the statistical analysis of recent member contacts and how the Cooperative is better using tools to analyze the needs of Cooperative members.

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 informed the Board that the annual audit was nearing completion and that the audit firm KEB would present their findings at the next scheduled Board meeting. Mr. Hermetz also discussed the recent review of 200 series policy review, finding Policies 206, 208, 209, along with Policy 404 needed amending. Mr. Hermetz presented an example of a typical solar panel installation for a member and how the cost analysis over a period of 20 years would look. Mr. Hermetz discussed the upcoming EECA and AIEC annual meetings. He informed the Board that a review of local sites was complete, and that Murphysboro High School was a suitable site to host the 2018 Annual Meeting. A brief discussion was held regarding the gifts to be distributed at the 2018 EECA Annual Meeting. A brief discussion was held regarding gift ideas for the 2018 AIEC silent auction. Upon a motion by Mr. Haake, seconded by Mr. Liefer, the General Manager's report was approved.

OTHER BUSINESS:

The following members were appointed to the **2018 Nominating & Credentials Committee**: Donald Stallman, Daniel Gobert, Russell Biggs, Dwayne Mulholland, Richard Fager, Stuart Langrehr, Roger Morganstern, Virgil Gramenz, and Kenneth Hollmann.

Upon a motion by Mr. Haake, seconded by Mr. Ebers, and a vote taken thereon, it was approved by a vote of eight in favor and one dissent to **approve the supplemental invoice from AIEC for the construction of a new conference room/ Board room.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously approved to **authorize a Board resolution, authorizing banking operations at First Southern Bank.**

Upon a motion by Mr. Prest, seconded by Mr. Haake, and a vote taken thereon, it was unanimously approved to **amend Board Policies 206 – Emergency Call Out, 208- Use of Personal Cars, 209 – Use of Company Cars, and 404 – Director Expenses.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously approved to **move the location of the 2018 EECA Annual Meeting to Murphysboro High School, leaving the date and time at 6:30PM, July 17, 2018.**

EXECUTIVE SESSION: The board entered executive session at 11:33 AM. They returned to regular session at 12:00 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, March 27, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:01 PM.

Date Approved March 27, 2018

Paul Hicks, Secretary

Recorded by Shane Hermetz