

MINUTES OF REGULAR MEETING OF DIRECTORS
March 27, 2018

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, March 27, 2018, at the Headquarters facility. The meeting was called to order at 8:30AM 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	Brad Austin, Staff

Absent: Gilbert Kroening
Ms. Anna Guetersloh of KEB was also in attendance.

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 (\$3,996.33) for the month), the AIEC report, the Federated Insurance report, the right of way report, the safety report, the regulatory report, and the outage report were approved on a motion by Mr. Liefer 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. Prest seconded by Mr. Ebers, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Austin was introduced as the new Engineering Manager. He briefly discussed his background and enthusiasm for being a part of EECA. He reported on the current and pending Engineering and Operations projects. Construction work plan projects to upgrade Grassy and Carterville substations were also 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 February 2018 was \$-105,091.38 vs budget of \$-330,398.02. Operating Revenue was \$3,664,857.58 down .71% from February last year at \$3,691,073.77. KWH sales were 29,936,331 up 16.2% from last February at 25,759,653. KWH purchases were 31,550,221 an increase of 17.5% from February last year at 26,860,288. Variance of Major Costs from budget was Power Cost \$483,315.55 higher, Distribution Expense \$45,516.49 lower, Depreciation \$13,823.69 lower, Interest Expense \$19,283.89 lower, Customer Expenses \$677.91 higher, Sales Expense \$340.23 lower, and General and Administrative Expenses were \$32,573.02 lower. The current status of the State of Illinois accounts was also discussed.

MEMBER SERVICES REPORT: Mrs. Guthman presented the Member Services Report. Mrs. Guthman 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 updated the Board with the current status of the application for REDLG funding from SI Airport.

IT REPORT: Mr. Swisher presented the IT report. He updated the Board on the project to update communications from all electric substations to the Headquarters. He also updated the Board on IT work at the HQ.

OFFICE MANAGER REPORTS: Mr. Pontow Office Manager report. Mr. Pontow 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. It was recommended to move the PCA from 4 mills down to 1 mill. Mr. Hermetz discussed the Open House held on March 14, 2018, informing the Board that approximately 100 members and their guests attended the event. Mr. Hermetz discussed the status of current goals and the status of strategic projects. Mr. Hermetz presented a revised organization chart and briefly discussed personnel and personnel replacements as key employees move toward retirement. Mr. Hermetz discussed the upcoming EECA annual meeting. He informed the Board that a review of local sites was complete, and that Murphysboro High School and Trico High School would not be suitable sites to host the 2018 Annual Meeting. Discussion followed. Upon a motion by Mr. Haake, 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 agreed upon to **set the 2018 Annual meeting for 6:30PM on July 17, 2018 at EECA office at 1732 Finney Road, Murphysboro.**

Upon a motion by Mr. Pyatt, and second by Mr. Ebers, the **KEB audit report** for the year ended December 31, 2017 was approved as presented by Anna Guetersloh. In her opinion, the financial statements present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2017. KEB issued an unmodified opinion.

Upon a motion by Mr. Haake, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon to **authorize a Board resolution, authorizing banking operations at JP Morgan Chase Bank.**

Upon a motion by Mr. Campbell, seconded by Mr. Haake, and a vote taken thereon, it was unanimously agreed upon to **grant conditional approval to management to submit the REDLG application for SI Airport to USDA consideration subject to CFC banking approval.**

Upon a motion by Mr. Liefer, seconded by Mr. Haake, and a vote taken thereon, it was unanimously agreed upon to **adopt the Certificate of Resolutions and Incumbency for the new CFC loan.**

Upon a motion by Mr. Prest, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously agreed upon to **approve the Secured Promissory Note for the new CFC loan.**

Upon a motion by Mr. Hicks, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously agreed upon to **approve the Loan Agreement for the new CFC loan.**

EXECUTIVE SESSION: The board entered executive session at 11:39 AM. They returned to regular session at 1:06 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, April 24, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 1:07 PM.

Date Approved March 27, 2018

Paul Hicks, Secretary

Recorded by Shane Hermetz