

**MINUTES OF REGULAR MEETING OF DIRECTORS**  
**May 29, 2018**

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 29, 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	Brad Austin, 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	Jeremy Thies, Staff
Kevin Liefer	Bill Broom, Attorney	Travis Deterding, Staff
Gilbert Kroening		Brooke Guthman, Staff

Guest: Mr. Don Gulley

**MEMBER COMMENTS:** SIPC GM – Don Gulley

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 (\$32,311.04) for the month), the AIEC report, the right of way report, the safety report, the regulatory report, and the outage report were approved on a motion by Mr. Hicks and seconded by Mr. Kroening.

**SIPC DIRECTOR REPORTS:** SIPC General Manager, Mr. Don Gulley, was present and gave the Board an update on activities at SIPC. He discussed the current SIPC activities and how SIPC continues to navigate the changing energy markets. He discussed that SIPC is moving Committee meetings and Board Meeting to all occur on one (1) day. Discussion followed. The SIPC report on Electric Systems was given by Mr. Liefer. The SIPC report on Power Production was given by Mr. Pyatt. The SIPC report on Admin and Finance was given by Mr. Haake. A motion was made to approve these reports by Mr. Prest seconded by Mr. Campbell, motion carried.

**ENGINEERING\OPERATIONS REPORT:** Mr. Austin presented the Engineering and Operations Report. He 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. The EECA Forestry Manager, Mr. Travis Deterding, updated the Board on the completed Spill Prevention Control and Countermeasures plan (SPCC).

**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 and recent activities involving cybersecurity security safety measures.

**MEMBER SERVICES REPORT:** Ms. Guthman presented the Member Services Report. Ms. Guthman discussed the Lexicon project from NRECA and she updated the Board on activities of the REDLG program. Ms. Guthman also updated the Board on the planning activities for the 2018 Annual Meeting. She also provided copies of the upcoming month's Illinois Country Living center section and Page 11 ad.

**FINANCIAL REPORTS:** Mr. Luehr presented the Human Resources and Finance Report. The financials for the previous month were presented for review. Operating margin for April 2018 was \$209,625.24 vs budget of \$-181,277.30. Operating Revenue was \$3,330,002.62 up 8.94% from April last year at \$3,056,619.08. KWH sales were 25,867,124 up 16.7% from last April at 22,159,751. KWH purchases were 25,899,033 an increase of 14.8% from April last year at 22,556,035. Variance of Major Costs from budget was Power Cost \$402,272.16 higher, Distribution Expense \$94,934.27 lower, Depreciation \$14,048.25 lower, Interest Expense \$8,898.67 lower, Customer Expenses \$12,721.00 lower, Sales Expense \$449.41 lower, and General and

Administrative Expenses were \$33,984.95 higher. The status of the State of Illinois accounts was also discussed.

**LEGAL REPORT:** Attorney Broom reported that he had discussions with the Engineering Department regarding proper ways to write legal descriptions for easement document.

**MANAGER'S REPORT:** Mr. Hermetz presented the Manager's report. Items of correspondence and complaints were shared. It was recommended to leave the PCA at 1 mill. Mr. Hermetz discussed the status of current goals and the status of strategic projects. Mr. Hermetz discussed the new NRECA/Federated safety program aimed at reducing electrical contacts. Mr. Hermetz presented the 2018 Nominating Committee Report from the May 8, 2018 Nominating committee meeting. Mr. Hermetz shared that the 2017 patronage capital allocation was shared with members in the May issue of the Illinois Country Living magazine. Discussion followed. Upon a motion by Mr. Campbell, seconded by Mr. Haake, the General Manager's report was approved.

**OTHER BUSINESS:**

Upon a motion by Mr. Campbell, seconded by Mr. Haake, and a vote taken thereon, it was unanimously agreed upon **that Steve Prest will be the voting delegate and Mr. Paul Hicks will be the alternate representative at the 2018 NRECA region 5 meeting.**

Upon a motion by Mr. Pyatt, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously agreed upon **to contribute \$500 to the CFC System Integrity Fund in 2018.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon **that Steve Prest will be the voting delegate and Mr. Paul Hicks will be the alternate representative at the 2018 Association of Illinois Electric Cooperatives (AIEC) Annual meeting.**

Upon a motion by Mr. Haake, seconded by Mr. Prest, and a vote taken thereon, it was unanimously agreed upon **that Mr. Ken Jarrett will be AIEC director and Mr. Steve Prest will be the alternate director.**

**EXECUTIVE SESSION:** The board entered executive session at 11:47 AM. They returned to regular session at 12:05 PM.

Upon a motion and a second, and a vote taken thereof, it was agreed to add \$15,000 per year to the salary of the Executive Vice President/General Manager.

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, June 26, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:15 PM.

Date Approved June 26, 2018

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Paul Hicks, Secretary

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Recorded by Shane Hermetz, EVP/GM