

MINUTES OF REGULAR MEETING OF DIRECTORS
June 26, 2018

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, June 26, 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	Brooke Guthman, Staff
Kevin Liefer	Bill Broom, Attorney	
Gilbert Kroening		

MEMBER COMMENTS: none

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 (\$12,228.02) 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. Haake and seconded by Mr. Pyatt.

SIPC DIRECTOR REPORTS: 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. Mr. Hermetz reviewed the SIPC Summary report and the recent SIPC member managers meeting. A motion was made to approve these reports by Mr. Hicks seconded by Mr. Kroening, 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.

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 current status of the application for REDLG funds from the SI Airport. 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 May 2018 was \$117,004.70 vs budget of \$-119,729.48. Operating Revenue was \$3,358,209.67 up 24.42% from May last year at \$2,699,111.36. KWH sales were 26,123,676 up 7.9% from last May at 24,209,854. KWH purchases were 26,960,758 an increase of 8.5% from May last year at 24,845,580. Variance of Major Costs from budget was Power Cost \$343,971.22 higher, Distribution Expense \$20,585.55 higher, Depreciation \$14,116.53 lower, Interest Expense \$10,645.04 lower, Customer Expenses \$418.43 higher, Sales Expense \$1,063.51 lower, and General and Administrative Expenses were \$10,524.68 lower. The status of the State of Illinois accounts was also discussed.

LEGAL REPORT: Attorney Broom reported that there were no legal issues to be discussed for the current month.

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 CFC Forum recently held in Indianapolis. He also discussed the upcoming CFC director election at the Region 5 meeting. Mr. Hermetz shared his draft comments that will be shared with the membership at the annual meeting. Discussion followed. Upon a motion by Mr. Kroening, seconded by Mr. Prest, 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 to **authorize a resolution, granting management authority to submit a REDLG application for the Southern Illinois Airport project.**

Upon a motion by Mr. Liefer, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously **agreed to re-schedule the 2018 Strategic Planning meeting to 8:30AM on Tuesday August 21st, 2018.**

EXECUTIVE SESSION: The board entered executive session at 10:58 AM. They returned to regular session at 11:46 AM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, July 24, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:47 AM.

Date Approved July 24, 2018

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM