

MINUTES OF REGULAR MEETING OF DIRECTORS

July 24, 2018

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, July 24, 2018, at the Headquarters facility. The meeting was called to order at 8:30AM by President Prest. Present for the meeting were:

Steve Prest, Pres.
Paul Hicks, Vice. Pres.
Paul Pyatt, Sec.-Treasurer
Randall Campbell
Kevin Liefer
Gilbert Kroening

Ken Jarrett
Larry Ebers
Allen Haake
Shane Hermetz, GM/EVP

Brad Austin, Staff
Bart Swisher, Staff
Dennis Luehr, Staff
Brooke Guthman, Staff

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 (\$5459.97) 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. Jarrett and seconded by Mr. Haake.

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. All SIPC directors commented on the recent Strategic Planning session held at SIPC. Mr. Hermetz reviewed the SIPC Strategic priorities and the SIPC vision statement. A motion was made to approve these reports by Mr. Campbell 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. He also discussed the current rate of deployment of renewable interconnections has been at the level of expectation.

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 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 June 2018 was \$166,335.05 vs budget of \$-163,923.36. Operating Revenue was \$3,655,940.78 up 24.10% from June last year at \$2,945,948.53. KWH sales were 29,245,471 up 4.0% from last June at 28,122,561. KWH purchases were 30,519,422 an increase of 3.9% from June last year at 29,376,819. Variance of Major Costs from budget was Power Cost \$143,003.69 higher, Distribution Expense \$75,276.90 higher, Depreciation \$13,988.15 lower, Interest Expense \$10,308.95 lower, Customer Expenses \$605.95 lower, Sales Expense \$1,267.90 lower, and General and Administrative Expenses were \$24,483.20 lower. The status of the State of Illinois accounts was also discussed.

LEGAL REPORT: Mr. Hermetz presented the Legal Report. He reported that the sales contract for the Steeleville property was moving forward. There were no other legal issues.

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 a possible shared service with the training of a Member Services Manager from Clay Electric Cooperative. Mr. Hermetz requested input from the 2018 Annual meeting. Discussion followed. Upon a motion by Mr. Pyatt, seconded by Mr. Liefer, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously **agreed to approve the minutes of the 2018 reorganization meeting, held Tuesday, July 17, 2018.**

Upon a motion by Mr. Campbell, seconded by Mr. Haake, and a vote taken thereon, it was unanimously agreed to **authorize a resolution, amending the NRECA 125 benefits plan.**

EXECUTIVE SESSION: The board entered executive session at 11:35 AM. They returned to regular session at 12:01 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, August 28, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:02 PM.

Date Approved August 28, 2018

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM