

## MINUTES OF REGULAR MEETING OF DIRECTORS October 30, 2018

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, October 30, 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

Allen Haake  
Shane Hermetz, GM/EVP  
Bill Broom, Attorney

Brad Austin, Staff  
Bart Swisher, Staff  
Dennis Luehr, Staff  
Brooke Guthman, Staff  
Travis Deterding, Staff  
Art Pontow, Staff  
Gretchen Bame, Staff

Absent: Ken Jarrett, Larry Ebers

### **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 (\$5745.34 for the month), the AIEC report, the NRECA report, the CFC banking 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. Pyatt and seconded by Mr. Campbell.

**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 departmental budget requests submitted to their committees for review. Mr. Hermetz discussed the status of the FY2019 SIPC budget overall and power cost adder (PCA) projections for the SIPC Cooperatives. Discussion followed. A motion was made to approve these reports by Mr. Kroening seconded by Mr. Hicks, 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 discussed the current status of projects at the office facility. Discussion followed. He also gave an update on member accounts that are interconnected to the Cooperative and producing electricity from a renewable resource, discussing briefly the current status of the Future Energy Jobs Act. Discussion followed.

**IT REPORT:** Mr. Swisher presented the IT report. He updated the Board on the recent issue at the Carbondale payment kiosk, along with a summary of recent drone testing for right of way maintenance applications. Discussion followed.

**MEMBER SERVICES REPORT:** Ms. Guthman presented the Member Services Report. She discussed the Key Accounts presentation that is scheduled for November 1<sup>st</sup>. She gave the board a summary report of the recent employee/members services team meeting. Discussion followed. 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 Total margin for September 2018 was \$187,654.98 vs budget of \$-176,003.79. Operating Revenue was \$3,387,951.87 up 2.06% from September last year at \$3,319,537.22. KWH sales were 26,077,398 up 0.1% from last September at 26,049,812. KWH purchases were 26,993,993 a decrease of 0.8% from September last year at 27,202,122. Variance of Major Costs from budget was Power Cost \$20,125.11 higher, Distribution Expense \$4,521.76 higher, Depreciation \$14,422.30 lower, Interest Expense \$4,746.84 lower, Customer Expenses \$1,223.63 higher, Sales Expense \$1,088.44

higher, and General and Administrative Expenses were \$4,482.35 lower. The status of the State of Illinois accounts was also discussed.

**LEGAL REPORT:** Mr. Broom presented the Legal Report. Mr. Broom stated that he had answered various staff questions regarding membership documents and the collection of an electronic signature upon them. Discussion followed.

**MANAGER'S REPORT:** Mr. Hermetz presented the Manager's report. In the manager's report, Mr. Hermetz discussed the status of current goals and the status of strategic projects. Mr. Hermetz recommended leaving the Power Cost Adder (PCA) at 1.5 mill. Mr. Hermetz presented the fiscal year 2019 budget. Discussion followed. Items of correspondence, questions from last meeting were discussed, and member compliments/complaints were shared. Discussion followed. Upon a motion by Mr. Haake, seconded by Mr. Kroening, the General Manager's report was approved.

**OTHER BUSINESS:**

President Prest gave an update as to the status of the governance review. Discussion followed. Mr. Hermetz gave an update on the Bylaw review process. Discussion followed.

Upon a motion by Mr. Haake, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously **agreed to select Kevin Liefer as EECA delegate and Shane Hermetz as Alternate Delegate to the 2018 ICWCG/RSI annual meeting.**

Upon a motion by Mr. Kroening, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously **agreed to approve the 2019 EECA Board meeting dates.**

Upon a motion by Mr. Hicks, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously **agreed to approve the promissory and loan documents for USDA REDLG loan to the SI Airport.**

**EXECUTIVE SESSION:** The board entered executive session at 11:28 AM. They returned to regular session at 12:12 PM.

Upon a motion and a second, and a vote taken thereof, it was agreed to add \$10,000 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, November 27, 2018. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:14 PM.

Date Approved November 27, 2018

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM