

## **MINUTES OF REGULAR MEETING OF DIRECTORS December 18, 2018**

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, December 18, 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  
Ken Jarrett  
Larry Ebers  
Shane Hermetz, GM/EVP  
Bill Broom, Attorney

Brad Austin, Staff  
Bart Swisher, Staff  
Dennis Luehr, Staff  
Brooke Guthman, Staff  
Travis Deterding, Staff  
Jeremy Theis, Staff

Absent: n/a

### **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 (\$15,385.34) for the month), the AIEC report, the NRECA report, the CFC banking 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 departmental budget requests submitted to their committees for review. Mr. Hermetz discussed the efforts at SIPC to review coal and carbon inventories, along with the current status of the year end financial projections. Discussion followed. 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 discussed the current project of reviewing older sections of line and the plan to retire abandoned services. Discussion followed.

**IT REPORT:** Mr. Hermetz presented the IT report. He updated the Board on the recent completion of the kiosks project with US Payments, along with year-end updating of cyber-protection systems. Discussion followed.

**MEMBER SERVICES REPORT:** Ms. Guthman presented the Member Services Report. She discussed the recent awards of the classroom grant program and the upcoming involvement in the Jackson CEO program. 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 November 2018 was \$233,866.10 vs budget of \$-186,380.85. Operating Revenue was \$3,761,529.54 up 26.59% from November last year at \$2,971,464.77. KWH sales were 29,366,889 up 10.5% from last November at 26,569,574. KWH purchases were 30,904,583 an increase of 11.6% from November last year at 27,699,196. Variance of Major Costs from budget was Power Cost \$469,520.91 higher, Distribution Expense \$44,522.78 lower, Depreciation \$14,945.36 lower, Interest Expense \$7,522.14 lower, Customer Expenses \$9,227.65 higher, Sales Expense \$4,989.88 lower, and General and Administrative Expenses were \$30,716.59 higher. Mr. Luehr also discussed the potential write-off of obsolete equipment. Discussion followed.

**LEGAL REPORT:** Mr. Broom presented the Legal Report. Mr. Broom discussed the practice of retiring capital credits for a business that has changed ownership over time. He also provided guidance for the Board members as to how the relationship of the Cooperative By-Laws and the Illinois Not for Profit Act work together. 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 reviewed policies 202 and 203, pointing out areas to possibly update. Discussion followed. Mr. Hermetz discussed current finances, recommended leaving the Power Cost Adder (PCA) at 1.5 mill at this time. Mr. Hermetz discussed Operation Roundup, discussion followed. The decision was made to proceed with developing a plan for Operations Roundup for future Board consideration. 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. Campbell, the General Manager's report was approved.

**OTHER BUSINESS:**

Mr. Hermetz and Mr. Broom updated the Board on recent activities of the Bylaws Committee and the status of updating the Cooperative Bylaws. Discussion followed.

Upon a motion by Mr. Campbell, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously **agreed to amend policy 202 – Vacations and policy 203 – Sick Time.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously **agreed to authorize the General Manager to update and execute the NRECA mutual aid agreement.**

**EXECUTIVE SESSION:** The board entered executive session at 11:26 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, January 29, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:47 AM.

Date Approved January 29, 2019

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM