

# MINUTES OF REGULAR MEETING OF DIRECTORS

## February 26, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, February 26, 2019, 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

Larry Ebers  
Ken Jarrett  
Shane Hermetz, GM/EVP  
Bill Broom, Attorney  
Elisha Sanders, Attorney  
Jeremy Theis, Staff

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

Absent: Gilbert Kroening, Allen Haake

### **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 (\$5901.31) 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. 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. Hermetz. Mr. Hermetz also discussed the year end finances and other upcoming events at SIPC. Discussion followed. A motion was made to approve these reports by Mr. Ebers 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 discussed the status of the requested interconnection and the feasibility study to interconnect a large renewable resource near the SI Airport substation. He discussed the current status of the Future Energy Jobs Act and potential impact to Cooperative members. He also updated the Board on the current status of the Fleet replacement plan. Discussion followed.

**IT REPORT:** Mr. Swisher presented the IT report. He updated the Board on the status of communications issues at the Carbondale kiosk, along with an update of the IT hardware replacement plan. Discussion followed.

**MEMBER SERVICES REPORT:** Ms. Guthman presented the Member Services Report. She discussed the status of Youth Tour applicants, along with an update of how Members Services is still reviewing the recent ACSI member survey. 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. He discussed the retirements of five employees and the recent hiring of four new employees. Discussion followed. In regard to finances, total margin for January 2019 was \$36,933.16 vs budget of \$73,544.86. Operating Revenue was \$4,303,453.10 down 7.56% from January last year at \$4,655,534.37. KWH sales were 34,723,471 down 12.5% from last January at 39,665,425. KWH purchases were 37,233,495 a decrease of 12% from January last year at 42,313,207. Variance of Major Costs from budget was Power Cost \$62,490.75 lower, Distribution Expense \$59,698.73 lower, Depreciation \$23,039.20 higher, Interest Expense \$6,586.06 lower, Customer Expenses \$5,070.54 higher, Sales Expense \$1,326.66 lower, and General and Administrative Expenses were

\$70,111.83 higher. Mr. Luehr also discussed the retirement of one employee, the internal promotions of four employees, and the filling of a CSR vacancy. Discussion followed.

**LEGAL REPORT:** Mr. Broom presented the Legal Report. He discussed recent court cases that involve electric utilities regarding fourth amendment protections against unreasonable search and seizure. Discussion followed.

**MANAGER'S REPORT:** Mr. Hermetz presented the Manager's report. In the manager's report, Mr. Hermetz briefly discussed the recent retirement of one lineman and the recent changes in the accounting and member services departments. Mr. Hermetz reviewed policy 218, Nepotism, 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 the current status of the Operation Roundup project, discussion followed. Mr. Hermetz also updated the Board on the current status of goals and strategic projects. Items of correspondence, questions from last meeting were discussed, and member compliments/complaints were shared. Discussion followed. Upon a motion by Mr. Liefer, seconded by Mr. Hicks, 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.

Mr. Prest and Mr. Broom reviewed the responses of the recent director survey regarding governance. Discussion followed.

Upon a motion by Mr. Jarrett, seconded by Campbell, and a vote taken thereon, it was unanimously approved to **reschedule the July 2019 Board meeting from 7/30/2019 to 7/23/2019.**

**EXECUTIVE SESSION:** The board entered executive session at 11:01 AM. They returned to regular session at 12:26 PM.

Upon a motion by Mr. Hicks, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously approved to **confirm Steve Prest as AIEC Director and Paul Hicks as Alternate AIEC Director for 2019.**

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, March 26, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:27 PM.

Date Approved March 26, 2019

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM