

MINUTES OF REGULAR MEETING OF DIRECTORS

April 23, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, April 23, 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.	Shane Hermetz, GM/EVP	Brad Austin, Staff
Paul Hicks, Vice. Pres.	Bill Broom, Attorney	Bart Swisher, Staff
Paul Pyatt, Sec.-Treasurer	Casey Twomey, Attorney	Dennis Luehr, Staff
Randall Campbell	Elisha Sanders, Attorney	Brooke Guthman, Staff
Ken Jarrett	Jeremy Theis, Staff	Travis Deterding, Staff
Allen Haake	Kay Taylor, Staff	Abbie Weil, Staff
Gilbert Kroening	Carla McNeely, Staff	Tillie Nance, Staff
	Bryan Diercks, Staff	

Absent: Kevin Liefer, Larry Ebers

Mr. Don Gulley, President and CEO of Southern Illinois Power Cooperative (SIPC) was also in attendance.

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 (\$10,576.55) 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. Haake and seconded by Mr. Hicks.

SIPC DIRECTOR REPORTS: The SIPC update was given by Mr. Don Gulley. He discussed the current projects at the Marion facility, along with updates of operations from Prairie Generation Station in Washington County. He also discussed pending legislation and regulations that could impact operations at SIPC. Discussion followed. At 9:20AM, Mr. Gulley and Ms. Weil left the meeting.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. He discussed the status of the requested interconnection and the feasibility study to interconnect a large renewable resource near the SI Airport substation along with the upcoming proposed expansion at the SIH Cancer center. He updated the Board on the current status of electrical interconnects with Ameren Illinois in a variety of locations. Mr. Austin also shared with the Board the current status of employee training in the areas of engineering and loss control. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He updated the Board on the change of internet providers at the Carbondale kiosk, along with plans to upgrade the office software to the most recent release. He also discussed the recent uptick of junk emails and how the Cooperative is handling this threat. Discussion followed.

MEMBER SERVICES REPORT: Ms. Guthman presented the Member Services Report. She discussed the status of Youth Tour visit to Springfield in April and the recent notification of a local high school student being selected for an AIEC college scholarship. Ms. Guthman updated the Board on the downtown revitalization program in the city of Murphysboro. She also discussed the recent meeting with Senator Paul Schimpf and how important grassroots advocacy is to rural electric cooperatives. 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. In regard to finances, total margin for March 2019 was -\$134,074.33 vs budget of \$52,334.37. Operating Revenue was \$3,636,529.10 up 1.41% from March last year at \$3,585,909.22. KWH sales were 28,178,517 down 0.59%

from last March at 28,345,498. KWH purchases were 30,657,999 an increase of 0.6% from March last year at 30,473,656. Variance of Major Costs from budget was Power Cost \$465,085.77 higher, Distribution Expense \$40,261.42 lower, Depreciation \$23,108.46 higher, Interest Expense \$17,016.79 lower, Customer Expenses \$2,612.44 lower, Sales Expense \$191.66 lower, and General and Administrative Expenses were \$36,022.85 higher. Discussion followed. At 10:45 AM, Ms. Nance and Ms. McNeely joined the meeting.

LEGAL REPORT: Mr. Broom presented the Legal Report. Mr. Broom, assisted by Ms. Sanders, discussed the law and how it applies to easements and potential pole attachment of third-party utilities to Cooperative owned poles. Discussion followed.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. In the manager's report, 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. Mr. Hermetz discussed proposed policy 520, Work for Others, and discussed correcting address errors in policy 509, Interconnection. Mr. Hermetz discussed that in the near future, the Cooperative may need to alter policy 515, Net Metering. He informed the Board that the AIEC was leading the effort for all Illinois Electric Cooperatives to simplify their net metering policies and procedures, perhaps coming to agreement to all have a similar application or similar requirements. 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. Campbell, the General Manager's report was approved.

OTHER BUSINESS:

Mr. Broom and Ms. Twomey updated the Board on recent activities of the Bylaws Committee and the status of updating the Cooperative Bylaws. Ms. Twomey discussed all major changes proposed by the Bylaws committee. Discussion followed. After discussion, it was recommended to present the By-Law changes into two amendments, one amendment containing a new provision addressing Dispute Resolution and the other amendment containing all other recommended changes.

Upon a motion by Mr. Pyatt, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon to **advance the recommended By-Law amendments to the Cooperative Membership for their consideration at the 2019 Annual Meeting to be held in July.**

Upon a motion by Mr. Campbell, seconded by Mr. Haake, and a vote taken thereon, it was unanimously agreed upon to **set the 2019 Strategic Planning meeting for Tuesday August 6, 2019, beginning at 8:30AM.**

EXECUTIVE SESSION: none

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, May 28, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:12 PM.

Date Approved May 28, 2019

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM