

MINUTES OF REGULAR MEETING OF DIRECTORS

June 25, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, June 25, 2019, at the Headquarters facility. The meeting was called to order at 8:28AM by President Prest. Present for the meeting were:

Steve Prest, President	Shane Hermetz, GM/EVP	Jeremy Thies, Staff
Paul Pyatt, Sec.-Treasurer	Bill Broom, Attorney	Brad Austin, Staff
Gilbert Kroening	Casey Twomey, Attorney	Bart Swisher, Staff
Kevin Liefer	Art Pontow, Staff	Dennis Luehr, Staff
Ken Jarrett	Brian Alexander, Staff	Brooke Guthman, Staff
Randall Campbell	Kay Taylor, Staff	Travis Deterding, Staff

Absent: Larry Ebers, Kevin Bame, and Paul Hicks

Cooperative member Ms. Carolin Harvey was present.

MEMBER COMMENTS: Ms. Carolin Harvey was introduced by Board President Prest.

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 (\$11,766.24) 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. Liefer

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. Jarrett. Mr. Hermetz mentioned the upcoming SIPC Strategic planning session in July and discussed the importance of both short term and long-term planning. Discussion followed. 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 discussed the possible expansion of facilities at Walkers Bluff winery in Carterville. He discussed recent training from Osmose regarding pole maintenance and how to spot deteriorating poles. He also discussed the possible new truck stop along Interstate 57. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He discussed the NISC IVUE Connect software upgrade project along with the current status of IT research for upgrades to our metering system. He updated the Board on recent efforts to assist Clay Electric Cooperative with IT related services. Discussion followed. He also discussed how to handle junk email. Discussion followed.

MEMBER SERVICES REPORT: Ms. Guthman presented the Member Services Report. She provided copies of the upcoming month's Illinois Country Living center section and Page 11 ad. She discussed the status of planning for the 2019 EECA Annual meeting in July. Ms. Guthman discussed with the Board the recent Youth to Washington trip and that an EECA participant was selected as the Youth Leadership Council delegate to represent the entire state. She discussed training efforts to inform employees of the results of our recent member survey and recent training to educate employees on renewable technology. Discussion followed.

FINANCIAL REPORTS: Mr. Luehr presented the Human Resources and Finance Report. Total margin for May 2019 was \$54,744.63 vs budget of \$-5,749.58. Operating Revenue was \$3,135,930.57 down 6.62% from May last year at \$3,358,348.64. KWH sales were 23,927,192 down 8.41% from last May at 26,123,676. KWH purchases were 24,617,639 a decrease of 8.7% from May last year at 26,960,758. Variance of Major Costs

from budget was Power Cost \$28,488.51 lower, Distribution Expense \$28,688.03 lower, Depreciation \$22,972.81 higher, Interest Expense \$20,352.63 lower, Customer Expenses \$6,968.75 lower, Sales Expense \$266.66 lower, and General and Administrative Expenses were \$1,980.89 lower. Discussion followed.

LEGAL REPORT: Mr. Broom presented the Legal Report. He requested that each director review policy 220. He discussed the importance of disclosing any conflicts of interest. Each director was presented with, reviewed, and completed a Conflict of Interest statement. Mr. Broom discussed with the Board the status of filing paperwork with the State of Illinois to create our Operation Round-Up charity. Discussion followed.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. In the manager's report, Mr. Hermetz presented the current status of strategic goals and projects. Items of correspondence, questions from last meeting were discussed, and member compliments/complaints were shared. Discussion followed. Mr. Hermetz discussed current finances, recommending leaving the Power Cost Adder (PCA) at 2 mill. Discussion followed. Mr. Hermetz discussed with the Board the possibility of doing shared services with a variety of neighboring Cooperatives. Discussion followed. He discussed with the Board three policies, proposed policy 520 (Work for Others), policy 515 (Net Metering) and policy 509 (Interconnection). 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 Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon **to adopt the purpose statement for the Article of Incorporation for the Operation Round-Up Program.**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to amend Board policy 509, Interconnection and policy 515, Net Metering.**

Upon a motion by Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to adopt Board policy 520, Work for Others.**

Upon a motion by Mr. Campbell, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously agreed upon **to schedule the 2019 Strategic Planning meeting on September 5th, 2019, starting at 8:30AM.**

EXECUTIVE SESSION: The board entered executive session at 11:16 AM. They returned to regular session at 11:56 AM.

Upon review of Cooperative By-Laws, the Board of Directors instructed management to create an area at the Annual meeting to allow any member interested in running for the Board of Directors a location from which to campaign. Furthermore, it was decided that if any member is nominated from the floor of the Annual Meeting that each candidate wishing to address the membership would be given ample time to introduce themselves and discuss their desire to serve as a Board member.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, July 23, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:00 PM.

Date Approved July 23, 2019

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM