

MINUTES OF REGULAR MEETING OF DIRECTORS

May 28, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 28, 2019, at the Headquarters facility. The meeting was called to order at 8:33AM by Vice President Hicks. Present for the meeting were:

Paul Hicks, Vice. Pres
Paul Pyatt, Sec.-Treasurer
Gilbert Kroening
Kevin Liefer
Larry Ebers
Allen Haake

Shane Hermetz, GM/EVP
Bill Broom, Attorney
Elisha Sanders, Attorney

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

Absent: Ken Jarrett, Randall Campbell, & Steve Prest

Cooperative members Ms. Carolin Harvey and Mr. Kevin Bame were present.

MEMBER COMMENTS: Ms. Carolin Harvey introduced herself as did Mr. Kevin Bame. Both members were present to observe the meeting.

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 (\$26,278.68) 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. Ebers.

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 SIPC position on renewable energy and our need to inform members of the differences of renewable energy term and their meaning. Discussion followed. A motion was made to approve these reports by Mr. Haake seconded by Mr. Kroening, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. He discussed the possible need to relocate cooperative equipment if the flooding along the Mississippi River continues. Work would involve de-energizing an electric substation and relocating the equipment out of harm's way. 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. 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 updated the Board on the downtown revitalization program in the city of Murphysboro. Discussion followed.

FINANCIAL REPORTS: Mr. Luehr presented the Human Resources and Finance Report. Total margin for April 2019 was -\$114,529.30 vs budget of \$-19,661.53. Operating Revenue was \$2,979,750.51 down 10.52% from April last year at \$3,329,950.64. KWH sales were 22,480,019 down 13.09% from last April at 25,867,124. KWH purchases were 22,889,475 a decrease of 11.6% from April last year at 25,889,033. Variance of Major Costs from budget was Power Cost \$52,636.44 higher, Distribution Expense

\$3,946.24 lower, Depreciation \$22,890.83 higher, Interest Expense \$18,174.02 lower, Customer Expenses \$32,947.76 lower, Sales Expense \$286.66 lower, and General and Administrative Expenses were \$16,350.15 higher. Discussion followed.

LEGAL REPORT: Mr. Broom presented the Legal Report. He requested that each director review policy 220 as to prepare for annual Conflicts of Interest training to be covered at the June Board meeting. 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 moving the Power Cost Adder (PCA) from 1.5 to 2 mill in July. Discussion followed. Mr. Hermetz discussed two policies with the Board, proposed policy 520 (Work for Others) and policy 509 (Interconnection). Discussion followed. Mr. Hermetz closed his report with asking for direction on the Operation Roundup project, it was determined to continue moving forward with the program. Discussion followed. Upon a motion by Mr. Haake, seconded by Mr. Kroening, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Pyatt, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon **to contribute \$500 to the CFC System Integrity Fund in 2019.**

Upon a motion by Mr. Kroening, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously agreed upon **to pass a resolution of appreciation for retiring Director, Mr. Allen Haake.**

EXECUTIVE SESSION: The board entered executive session at 10:25 AM. They returned to regular session at 10:50 AM.

Upon a motion by Mr. Pyatt, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously agreed to **accept the resignation of Director, Mr. Allen Haake, and formally name Mr. Kevin Bame a Director to fill the remainder of the term.**

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, June 25, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 10:53 AM.

Date Approved June 25, 2019

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM