

# MINUTES OF REGULAR MEETING OF DIRECTORS

## July 23, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, July 23, 2019, at the Headquarters facility. The meeting was called to order at 8:29AM by President Prest. Present for the meeting were:

Steve Prest, President	Shane Hermetz, GM/EVP	Jeremy Thies, Staff
Paul Hicks, Vice President	Bill Broom, Attorney	Brad Austin, Staff
Paul Pyatt, Sec.-Treasurer	Elisha Sanders, Attorney	Dennis Luehr, Staff
Kevin Liefer	Art Pontow, Staff	Travis Deterding, Staff
Ken Jarrett		
Randall Campbell		
Larry Ebers		
Kevin Bame		
Gilbert Kroening		

Absent: NONE

### **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 (\$7,444.47) 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. Jarrett.

**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 SIPC Strategic planning session and the AIEC statewide managers meeting. Discussion followed. A motion was made to approve these reports by Mr. Hicks seconded by Mr. Campbell, 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 also discussed expansion plans at the SI airport. Discussion followed.

**IT REPORT:** Mr. Austin presented the IT report. He discussed the recently completed upgrade of network servers. He updated the Board on recent efforts to assist Clay Electric Cooperative with IT related services. Discussion followed.

**MEMBER SERVICES REPORT:** Mr. Hermetz presented the Member Services Report. He reviewed copies of the upcoming month's Illinois Country Living center section and Page 11 ad. Mr. Hermetz discussed with the Board the EECA participant from Youth to Washington that was selected as the Youth Leadership Council delegate to represent the entire state. Discussion followed.

**FINANCIAL REPORTS:** Mr. Luehr presented the Human Resources and Finance Report. Total margin for June 2019 was \$71,433.47 vs budget of \$7,200.83. Operating Revenue was \$3,408,438.53 down 6.78% from June last year at \$3,656,155.71. KWH sales were 26,390,731 down 9.76% from last June at 29,245,471. KWH purchases were 26,298,113 a decrease of 13.8% from June last year at 30,519,442. Variance of Major Costs from budget was Power Cost \$180,926.42 lower, Distribution Expense \$24,143.98 higher, Depreciation \$22,606.00 higher, Interest Expense \$18,061.14 lower, Customer Expenses \$7,959.89 higher, Sales Expense \$302.64 higher, and General and Administrative Expenses were \$14,711.87 lower. Discussion followed.

**LEGAL REPORT:** Mr. Broom presented the Legal Report. He reviewed conflicts of interest with Directors Bame, Hicks, and Ebers. The three directors were presented with, reviewed, and completed a Conflict of Interest statement. Mr. Broom discussed the need to review the Drug Free Workplace policy. Discussion followed. Mrs. Sanders discussed with the Board the recent NRECA Legal conference. 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 open the floor to discussion on the EECA Annual meeting. Discussion followed. Upon a motion by Mr. Liefer, seconded by Mr. Ebers, the General Manager's report was approved.

**OTHER BUSINESS:**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to approve the minutes of the 2019 Cooperative Reorganization meeting held immediately following the Annual Meeting.**

**EXECUTIVE SESSION:** The board entered executive session at 11:45 AM. They returned to regular session at 12:12 PM.

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, August 27, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:13 PM.

Date Approved August 27, 2019

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM