

MINUTES OF REGULAR MEETING OF DIRECTORS

August 27, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, August 27, 2019, at the Headquarters facility. The meeting was called to order at 8:30 AM 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	Kay Taylor, Staff	Bart Swisher, Staff
Randall Campbell		
Larry Ebers		
Kevin Bame		
Gilbert Kroening		

Absent: NONE

MEMBER and GUEST COMMENTS: Kevin Pyle and Steve Drenner of Hamilton County Telephone Cooperative were welcomed to our meeting.

Mr. Pyle and Mr. Drenner gave a presentation to the Board of Directors detailing the plan of Hamilton County Telephone Cooperative and their subsidiary, Futiva, to bring high speed internet to members of EECA. Mr. Pyle discussed the technologies involved in delivering high speed internet. He also discussed their plan to deliver high speed internet to EECA members in the Carterville and east Carbondale areas. Discussion followed. The discussion concluded with EECA and HCTC discussing how the two Cooperatives could work together to ensure a timely and cost-effective rollout of internet services in the area. Mr. Pyle and Mr. Drenner exited the meeting at 9:50 AM.

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 (\$12,981.85) 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. Liefer and seconded by Mr. Kroening, motion carried.

SIPC DIRECTOR REPORTS: The SIPC report on Electric Systems was given by Mr. Liefer. Mr. Liefer discussed current electric systems projects at SIPC. Discussion followed. The SIPC report on Power Production was given by Mr. Pyatt. Mr. Pyatt discussed the status of fuels and fuel markets. Discussion followed. The SIPC report on Admin and Finance was given by Mr. Hermetz. Mr. Hermetz mentioned the status of electric markets in Illinois and MISO and how SIPC fits into the mix. Discussion followed. A motion was made to approve these reports by Mr. Campbell seconded by Mr. Hicks, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. He discussed the Casino project at Walkers Bluff winery in Carterville. He also discussed the impact of renewable interconnections at the Cooperative. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He discussed the status of updates made to the metering system software. He discussed the plans to upgrade aging server technologies next year with server replacements scheduled for the accounting and business systems, along with the email systems. Mr. Swisher, along with Mr. Pontow, demonstrated for the Board the NISC Mosaic software product that could be used to access electric outage information. Discussion followed.

MEMBER SERVICES REPORT: Mrs. Guthman presented the Member Services Report. She reviewed copies of the upcoming month's Illinois Country Living center section and Page 11 ad. Mrs. Guthman discussed the current status of REDLG activities and the need to address meter tampering with a formal Board policy. Discussion followed.

FINANCIAL REPORTS: Mr. Luehr presented the Human Resources and Finance Report. Total margin for July 2019 was \$77,707.02 vs budget of \$101,305.87. Operating Revenue was \$3,691,932.16 down 5.31% from July last year at \$3,898,974.82. KWH sales were 28,954,911 down 6.97% from last July at 31,122,825. KWH purchases were 31,849,834 a decrease of 1.98% from July last year at 32,494,098. Variance of Major Costs from budget was Power Cost \$67,305.16 lower, Distribution Expense \$47,562.92 higher, Depreciation \$22,148.74 higher, Interest Expense \$13,514.91 lower, Customer Expenses \$29,688.57 lower, Sales Expense \$253.14 higher, and General and Administrative Expenses were \$56,345.62 lower. Mr. Luehr discussed the posting of a new entry level CSR position, that will be needed to replace an employee scheduled to retire early next year. Discussion followed.

LEGAL REPORT: Mr. Broom and Mrs. Sanders presented the Legal Report. They reviewed policy 212, Drug Free Workplace, focusing on the possible need to amend the policy due to recent changes in Illinois law regarding marijuana. They also discussed proposed policy 119, Meter Tampering. Discussion followed.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. In the manager's report, Mr. Hermetz presented the 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 updated the Board on work to perform shared services with a variety of neighboring Cooperatives. Discussion followed. Mr. Hermetz also discussed the status of project applications for the USDA Rural Economic Loan and Grant Program. Discussion followed. Upon a motion by Mr. Pyatt, seconded by Mr. Ebers, the General Manager's report was approved.

EXECUTIVE SESSION: The board entered executive session at 12:00 PM. They returned to regular session at 12:46 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, September 24, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:47 PM.

Date Approved September 24, 2019

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM