

MINUTES OF REGULAR MEETING OF DIRECTORS September 24, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, September 24, 2019, at the Headquarters facility. The meeting was called to order at 8:29 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	Bart Swisher, Staff
Paul Pyatt, Sec.-Treasurer	Kay Taylor, Staff	Travis Deterding, Staff
Kevin Liefer	Eric Turner, Staff	
Ken Jarrett		
Randall Campbell		
Larry Ebers		
Kevin Bame		
Gilbert Kroening		

Absent: NONE

MEMBER and GUEST COMMENTS: N/A

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 (\$6,114.35) 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. Campbell and seconded by Mr. Jarrett, 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. Jarrett. Mr. Jarrett reviewed current finances for the month and year to date. Discussion followed. A motion was made to approve these reports by Mr. Hicks seconded by Mr. Bame, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Hermetz presented the Engineering and Operations Report. He discussed the status of a variety of upcoming projects. He also discussed the status of renewable interconnections by members. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. 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. Discussion followed.

MEMBER SERVICES REPORT: Mrs. Kay Taylor presented the Member Services Report. She reviewed copies of the upcoming month's Illinois Country Living center section and Page 11 ad. She also discussed the upcoming Key Accounts meeting in October. Discussion followed.

FINANCIAL REPORTS: Mr. Hermetz presented the Human Resources and Finance Report. Total margin for August 2019 was \$179,958.54 vs budget of \$36,064.74. Operating Revenue was \$3,666,464.02 down 1.26% from August last year at \$3,713,261.20. KWH sales were 28,502,987 down 3.07% from last August at 29,405,117. KWH purchases were 29,682,689 a decrease of 3.03% from August last year at 30,611,103. Variance of Major Costs from budget was Power Cost \$37,334.04 lower, Distribution Expense \$62,553.74 lower, Depreciation \$22,113.15 higher, Interest Expense \$19,602.17 lower, Customer Expenses \$12,557.94 lower, Sales Expense \$79.98 lower, and General and Administrative Expenses were \$23,024.93 higher. Discussion followed.

LEGAL REPORT: Mr. Broom presented the Legal Report. He presented the Articles of Incorporation for the Operation Round-Up project. 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 discussed the recent strategic planning session and discussed the proposed new metering system. Discussion followed. Upon a motion by Mr. Kroening, seconded by Mr. Liefer, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Campbell, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously agreed upon **to adopt new Board policy 119, Metering Tampering.**

Upon a motion by Mr. Campbell, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon **to amend Board policy 408, Records Retention.**

Upon a motion by Mr. Pyatt, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to replace the existing metering system and replace it with a new technology.**

Upon a motion by Mr. Liefer, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously agreed upon **to approve the 2019 Strategic Planning minutes.**

Upon a motion by Mr. Campbell, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously agreed upon **to approve a Board resolution of appreciation for all employees responding to Hurricane Dorian relief efforts.**

EXECUTIVE SESSION: The board entered executive session at 11:05 APM. They returned to regular session at 11:35 AM.

The Board accepted the resignation of Director, Mr. Gilbert Kroening, effective at the end of the December 17, 2019 Board meeting.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, October 29, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:36 AM.

Date Approved October 29, 2019

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM