

## MINUTES OF REGULAR MEETING OF DIRECTORS

### October 29, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, October 29, 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  
Paul Hicks, Vice President  
Paul Pyatt, Sec.-Treasurer  
Kevin Liefer  
Ken Jarrett  
Randall Campbell  
Kevin Bame  
Gilbert Kroening

Shane Hermetz, GM/EVP  
Bill Broom, Attorney  
Elisa Sanders, Attorney  
Brooke Guthman, Staff  
Dennis Luehr, Staff  
Kay Taylor, Staff

Jeremy Thies, Staff  
Bart Swisher, Staff  
Travis Deterding, Staff  
Brad Austin, Staff  
Art Pontow, Staff

Absent: Larry Ebers

**MEMBER and GUEST COMMENTS:** Ms. Kallie Mayo of Pinckneyville High School and the 2019 Youth Leadership Council delegate from the Illinois Cooperatives thanked the Cooperative for their support of the Youth to Washington program. She asked the Board of Directors to consider a job shadowing program for high school students. She also fielded questions regarding the youth program and her future college plans. Ms. Mayo exited the Board room at 9:15AM.

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 (\$6,355.14) 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. Hicks, motion carried.

**SIPC DIRECTOR REPORTS:** The SIPC report on Electric Systems was given by Mr. Hermetz. Mr. Hermetz discussed current electric systems projects and the transmission projects budgeted by SIPC in their proposed FY2020 budget. Discussion followed. The SIPC report on Power Production was given by Mr. Pyatt. Mr. Pyatt discussed the status of fuels and fuel markets. He also briefly discussed the FY2020 budget proposed at SIPC. 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. Campbell seconded by Mr. Kroening, motion carried.

**ENGINEERING\OPERATIONS REPORT:** Mr. Austin presented the Engineering and Operations Report. He discussed the status of a variety of upcoming projects, including the development at Walkers Bluff and the proposed expansion at the SI Airport. He discussed the status of the Milsoft planning software model and how the program will be used to assisting the Engineering Department. Discussion followed. Mr. Austin also discussed the status of renewable interconnections by members. Discussion followed.

**IT REPORT:** Mr. Swisher presented the IT report. He discussed the shared services agreement with Clay Electric Cooperative, the status of our payment kiosks, and the status of NISC software upgrades planned in 2020. Discussion followed.

**MEMBER SERVICES REPORT:** Mrs. Brooke Guthman 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 Key Accounts meeting in October and the status of Operation RoundUp. She updated the Board on the status of her Certified Key Accounts training program. Discussion followed. Mrs. Kay Taylor updated the Board on the recent addition of a new CSR, who will be starting employment in November. Discussion followed.

**FINANCIAL REPORTS:** Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for September 2019 was \$181,673.24 vs budget of \$-44,092.37. Operating Revenue was \$3,352,124.21 down 0.51% from September last year at \$3,369,181.95. KWH sales were 25,472,605 down 2.3% from last September at 26,077,398. KWH purchases were 27,095,913 an increase of 0.4% from September last year at 26,993,993. Variance of Major Costs from budget was Power Cost \$13,385.34 higher, Distribution Expense \$36,578.03 lower, Depreciation \$21,769.71 higher, Interest Expense \$22,820.32 lower, Customer Expenses \$15,644.01 lower, Sales Expense \$465.64 higher, and General and Administrative Expenses were \$11,818.31 lower. Discussion followed. Mr. Luehr also presented information regarding fees associated with members paying with credit cards. Discussion followed.

**LEGAL REPORT:** Mr. Broom presented the Legal Report. He discussed option of the Bylaws 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 discussed the process of reviewing Cooperative Bylaws. Discussion followed with the appointment of Directors Prest, Jarrett, and Hicks to a committee to review Cooperative Bylaws for possible amendments. Mr. Hermetz and Mr. Luehr presented the proposed FY2020 budget. 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 Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to adopt new Board policy 104, Security Deposit.**

Upon a motion by Mr. Kroening, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously agreed upon **to amend Board policy 509, Interconnection.**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to appoint Director Kevin Liefer as the EECA delegate and Shane Hermetz as the alternate to the 2019 ICWCG/RSI annual meeting.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon **to set the 2020 Board of Directors meeting dates.**

Upon a motion by Mr. Bame, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously agreed upon **to set the date of the 2020 EECA Annual Meeting of Members for Thursday July 16, 2020.**

Upon a motion by Mr. Bame, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon **to appoint Director Ken Jarrett as an officer of the Egyptian Electric charitable fund, serving as President.**

Upon a motion by Mr. Hicks, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously agreed upon **to appoint Director Kevin Bame as an officer of the Egyptian Electric charitable fund, serving as Vice-President.**

Upon a motion by Mr. Campbell, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously agreed upon **to appoint Director Paul Hicks as an officer of the Egyptian Electric charitable fund, serving as Secretary/Treasurer.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon **to accept the resignation of Director Gilbert Kroening, effective December 20, 2019.**

**EXECUTIVE SESSION:** The board entered executive session at 11:52 AM. They returned to regular session at 12:39 PM.

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, November 26, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:40 PM.

Date Approved November 26, 2019

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM