

# MINUTES OF REGULAR MEETING OF DIRECTORS

## November 26, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, November 26, 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	Bart Swisher, Staff
Paul Pyatt, Sec.-Treasurer	Casey Twomey, Attorney	Travis Deterding, Staff
Kevin Liefer	Brooke Guthman, Staff	Brad Austin, Staff
Ken Jarrett	Dennis Luehr, Staff	Art Pontow, Staff
Larry Ebers	Kay Taylor, Staff	
Kevin Bame		
Gilbert Kroening		

Absent: Randall Campbell

### **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 (\$32,758.83) 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. Kroening, 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. Ebers seconded by Mr. Hicks, motion carried.

**ENGINEERING\OPERATIONS REPORT:** Mr. Austin presented the Engineering and Operations Report. He discussed the status of a variety of upcoming projects, including proposed truck stop near the I-57/I-24 interchange. 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 and the current upgrades to cyber equipment. Discussion followed.

**MEMBER SERVICES REPORT:** Mrs. Brooke Guthman presented the Member Services Report. She presented copies of the upcoming month's Illinois Country Living center section and Page 11 ad. She also discussed recent activities with the Randolph County CEO program, along with working with the Delta Regional Authority. She updated the Board on the upcoming Safety Breakfast event and the River Radio blood drive event, both planned for December. Discussion followed. Mrs. Guthman informed the Board that our new Member Services rep had started, at which time, Mrs. Kay Taylor introduced her to the Board. Discussion followed.

**FINANCIAL REPORTS:** Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for October 2019 was \$44,272.01 vs budget of \$-47,068.33. Operating Revenue was \$3,184,526.02 down 3.84% from October last year at \$3,311,821.26. KWH sales were 23,950,505 down 5.15% from last October at 25,251,973. KWH purchases were 23,763,319 a decrease of 10.26% from October last year at

26,480,339. Variance of Major Costs from budget was Power Cost \$174,593.40 higher, Distribution Expense \$98,053.84 lower, Depreciation \$21,620.33 higher, Interest Expense \$22,259.78 lower, Customer Expenses \$171.67 higher, Sales Expense \$1,171.16 higher, and General and Administrative Expenses were \$25,830.24 higher. Mr. Luehr discussed the current distribution equity position and projections of possible year end margin. Discussion followed.

**LEGAL REPORT:** Mr. Broom and Ms. Twomey presented the Legal Report. Ms. Twomey discussed the final documents for the Operations RoundUp 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 reviewed proposed changes in Board policy 215, NRECA International Program. Discussion followed. Mr. Hermetz discussed the status of the REDLG projects in the community. Discussion followed. He concluded his report with updates on the proposed FY2020 budget. Discussion followed. Upon a motion by Mr. Hicks, seconded by Mr. Kroening, the General Manager's report was approved.

**OTHER BUSINESS:**

Mr. Prest, Mr. Jarrett, and Mr. Hicks discussed the minutes of the Bylaws committee meeting held on November 19<sup>th</sup>. Discussion followed.

Upon a motion by Mr. Liefer, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to adopt the Bylaws for the Operation Roundup program.**

Upon a motion by Mr. Kroening, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously agreed upon **to amend Board policy 212, Drug Free Workplace.**

Upon a motion by Mr. Pyatt, seconded by Mr. Kroening, and a vote taken thereon, it was unanimously agreed upon **to adopt new Board policy 310, Operation Roundup.**

Upon a motion by Mr. Liefer, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to adopt a Board resolution of appreciation, recognizing Director Gilbert Kroening for his years of dedicated service to the members of Egyptian Electric.**

Upon a motion by Mr. Bame, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to adopt the FY2020 Budget.**

**EXECUTIVE SESSION:** The board entered executive session at 11:43 AM. They returned to regular session at 12:25 PM.

Upon a motion and a second, and a vote taken thereof, it was agreed to add \$10,000 per year to the salary of the Executive Vice President/General Manager.

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, December 17, 2019. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:27 PM.

Date Approved December 17, 2019

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM