

MINUTES OF REGULAR MEETING OF DIRECTORS December 17, 2019

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, December 17, 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	Elisa Sanders, 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		
Randall Campbell		

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 (\$20,094.18) 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 was given by Mr. Hermetz. Mr. Hermetz reviewed current finances for the month and year to date. Discussion followed. A motion was made to approve this report by Mr. Hicks seconded by Mr. Ebers, 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 proposed truck stop near the I-57/I-24 interchange and the status of the development at Walkers Bluff winery. 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 status of IT equipment in service at the Cooperative. 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. Mrs. Guthman informed the Board that the Murphysboro revitalization project and EECA will be a lead story in an upcoming print newspaper. Discussion followed. She also discussed recent activities with the CEO programs in Jackson, Perry, and Randolph counties, discussion followed. She discussed with the Board the Safety Breakfast event and the River Radio blood drive event. Discussion followed.

FINANCIAL REPORTS: Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for November 2019 was \$-82,085.88 vs budget of \$-6,146.38. Operating Revenue was \$3,608,379.76 down 4.07% from November last year at \$3,761,579.54. KWH sales were 27,876,115 down 5.08% from last November at 29,366,889. KWH purchases were 29,795,935 a decrease of 3.59% from November last year at 30,904,583. Variance of Major Costs from budget was Power Cost \$487,885.92 higher, Distribution Expense \$33,271.04 lower, Depreciation \$22,231.30 higher, Interest Expense \$5,088.89 lower, Customer Expenses \$2,046.48 higher, Sales Expense \$5,042.97 lower, and General and Administrative Expenses were \$34,071.21

higher. Mr. Luehr discussed the current distribution equity position and projections of possible year end margin. Discussion followed.

LEGAL REPORT: Mr. Broom and Ms. Sanders presented the Legal Report. Ms. Sanders discussed a recent legal issue with a contract clothing provider. 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. He shared an updated succession plan, along with a roadmap detailing the upcoming rate study and new bill presentment project. Discussion followed. 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. Mr. Hermetz discussed the upcoming rate adjustments from SIPC, explaining that the process will be two separate discussions at SIPC. Discussion followed. Mr. Hermetz concluded his report discussing the national and local ACRE programs. Upon a motion by Mr. Kroening, seconded by Mr. Jarrett, the General Manager's report was approved.

OTHER BUSINESS:

Mr. Prest, Mr. Broom discussed the minutes of the Bylaws committee meeting held on December 10th. Discussion followed.

Upon a motion by Mr. Kroening, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon **to amend Board policy 215, NRECA International Program.**

Upon a motion by Mr. Pyatt, seconded by Mr. Bame, and a vote taken thereon, it was unanimously agreed upon **to adopt new Board policy 412, Director Appointments.**

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously approved to **confirm Steve Prest as the NRECA voting delegate and Paul Pyatt as Alternate NRECA voting delegate for 2020.**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously approved to **confirm Steve Prest as the NRTC voting delegate and Paul Pyatt as Alternate NRTC voting delegate for 2020.**

Upon a motion by Mr. Liefer, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously approved to **set the 2020 Strategic Planning meeting date as August 18, 2020, starting at 8:30 AM.**

Upon a motion by Mr. Campbell, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously approved to **allow the General Manager to execute paperwork associated with the SIPC Wholesale Power Contract, waiving the time notice associated within the expected Rate Adjustment in January 2020.**

EXECUTIVE SESSION: The board entered executive session at 11:13 AM. They returned to regular session at 11:33 AM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, January 28, 2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:34 AM.

Date Approved January 28, 2020

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM