

# MINUTES OF REGULAR MEETING OF DIRECTORS

## February 25, 2020

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, February 25, 2020 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  
Larry Ebers  
Kevin Bame  
Randall Campbell  
Absent: None

Shane Hermetz, GM/EVP  
Bill Broom, Attorney  
Elisha Sanders, Attorney  
Brad Austin, Staff  
Dennis Luehr, Staff

Jeremy Thies, Staff  
Bart Swisher, Staff  
Kay Taylor, Staff  
Art Pontow, Staff  
Brooke Guthman, Staff

**MEMBER and GUEST COMMENTS:** The Board Directors met with Mr. Rick Asaturian from 8:45AM until 9:20 AM to interview him for the current vacant Board position. Mr. Asaturian left the meeting at the end of his interview.

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 (\$12,309.27) for the month, the AIEC report, the NRECA report, the CRC 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. Hicks and seconded by Mr. Pyatt, motion carried.

**SIPC DIRECTOR REPORTS:** The SIPC report on Electric Systems was given by Mr. Liefer. Mr. Liefer discussed current electric systems projects and the transmission 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. Mr. Hermetz commented on the Spring Strategic Planning session. Discussion followed. A motion was made to approve this report by Mr. Campbell 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 proposed three phase line extension south of Pinckneyville. Discussion followed. Mr. Austin 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 and Mrs. Kay Taylor presented the Member Services Report. Mrs. Guthman presented copies of the upcoming month's Illinois Country Living center section and Page 11 ad. Mrs. Taylor introduced the Board to our new Member Services Representative. Discussion followed. Mrs. Guthman also discussed the upcoming blood drive in March, the status of Youth to Springfield/ YTW applications, and the continuing efforts to introduce Operation RoundUp to members. Discussion followed.

**FINANCIAL REPORTS:** Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for January 2020 was \$551,847.75 vs budget of \$196,016.53. Operating Revenue was \$3,998,417.64 down 7.09% from January last year at \$4,303,453.10. KWH sales were 32,216,631 down 7.22% from last January at 34,723,651. KWH purchases were 33,086,421 a decrease of 11.14% from January last year at 37,233,495. Variance of Major Costs from budget was Power Cost \$714,789.51 lower, Distribution Expense \$59,432.37 lower, Depreciation \$30,003.08 lower, Interest Expense \$54,725.60 lower, Customer Expenses \$3,861.15 lower, Sales Expense \$13,015.53 lower, and General and Administrative Expenses were \$88,428.12

lower. Mr. Luehr discussed the current distribution equity position and other finance metrics as we start the new fiscal year. Mr. Luehr also shared that the 2019 Audit should be complete on schedule and the auditors will be at the March Board meeting to present the annual audit report. Discussion followed.

**LEGAL REPORT:** Mr. Broom and Mrs. Sanders presented the Legal Report. Mrs. Sanders reported the work is underway to apply for tax exempt status for the Operation RoundUp program. Discussion followed.

**MANAGER'S REPORT:** Mr. Hermetz presented the Manager's report. In the manager's report, Mr. Hermetz presented the 2020 Strategic Scorecard, items of correspondence, questions from last meeting were discussed, and member compliments/complaints were shared. Discussion followed. Mr. Hermetz discussed shared services with neighboring cooperatives and current finances, recommending leaving the Power Cost Adder (PCA) at 2 mill. Mr. Hermetz discussed a proposed policy to address automated metering systems. Discussion followed. Upon a motion by Mr. Liefer, seconded by Mr. Ebers, 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 approved to **allow all employees to celebrate Lineman's Appreciation day in April 2020 as a token of appreciation for working as safely as possible.**

**EXECUTIVE SESSION:** The board entered executive session at 10:56 AM. They returned to regular session at 11:20 PM.

Upon a motion by Mr. Campbell, seconded by Mr. Bame, and a vote taken thereon, it was unanimously agreed to **appoint Mr. Rick Asaturian a Director to fill the remainder of the term of retired Director, Gilbert Kroening.**

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, March 31,2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:21 AM.

Date Approved: March 31, 2020

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Paul Pyatt, Secretary

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Recorded by Shane Hermetz, EVP/GM