

MINUTES OF REGULAR MEETING OF DIRECTORS

April 28, 2020

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, April 28, 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
Rick Asaturian
Absent: None

Shane Hermetz, GM/EVP
Dennis Luehr, Staff

The meeting opened with a moment of silence in remembrance of SIEC Director Robert Inman and retired EECA employee Terry Hope, both of which died in recent weeks.

MEMBER and GUEST COMMENTS: Ms. Anna Guetersloh and Mr. Nate Vaughn of Kerber Eck & Braeckel (KEB) were also in attendance. Ms. Guetersloh presented the 2019 Audit. The auditors left the meeting at 9 AM.

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 (\$2,793.40) 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. Pyatt and seconded by Mr. Ebers, 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 power markets and the overall downward turn of electricity usage by the current COVID-19 pandemic. Discussion followed. A motion was made to approve this report by Mr. Hicks seconded by Mr. Campbell, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Hermetz presented the Engineering and Operations Report. He discussed the status of a variety of upcoming projects, including the status of the metering replacement project. Discussion followed.

IT REPORT: Mr. Hermetz presented the IT report. He discussed how technology was adapted to allow employees working from home during this pandemic. Discussion followed.

MEMBER SERVICES REPORT: Mr. Hermetz presented the Member Services Report. Copies of the upcoming month's Illinois Country Living center section and Page 11 ad were presented in CTO. Mr. Hermetz reviewed REDLG applications from Pinckneyville Hospital and Kinkaid Conservancy district. Discussion followed. Mr. Hermetz also shared the status of the Youth to Washington program. Discussion followed.

FINANCIAL REPORTS: Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for March 2020 was \$239,653.58 vs budget of -\$42,985.43. Operating Revenue was \$3,321,778.06 down 8.66% from March last year at \$3,636,529.10. KWH sales were 25,213,629 down 10.52% from last March at 28,178,517. KWH purchases were 25,571,216 a decrease of 16.59% from March last year at 30,657,999. Variance of Major Costs from budget was Power Cost \$564,343.43 lower, Distribution Expense \$1,501.49 higher, Depreciation \$29,040.39 lower, Interest Expense \$24,389.60 lower, Customer Expenses \$6,947.94 lower, Sales Expense \$2,435.11 lower, and General and Administrative Expenses were \$9,818.70

higher. Mr. Luehr discussed our distribution equity position, the status of delinquent accounts, and commented on the audit report. Discussion followed.

LEGAL REPORT: Mr. Broom, Ms. Twomey, and Ms. Sanders joined the meeting via teleconference at 10AM. presented the Legal Report. Collectively, they discussed with the Board of Directions options for holding a large group meeting, such as the EECA Annual Meeting, in our current pandemic situation. Discussion followed. The attorneys left the meeting at 10:40 AM.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. The 2020 Strategic Scorecard, items of correspondence, questions from last meeting were discussed, and member compliments/complaints were shared. Discussion followed. Mr. Hermetz discussed how the Cooperative responded to the shelter in place executive order and how operations were being conducted from remote site. Discussion followed. Mr. Hermetz also discussed current finances, recommending leaving the Power Cost Adder (PCA) at 2 mill. Mr. Hermetz discussed proposed changes to Board policy 116, seasonal disconnection. Discussion followed. Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Jarrett, and second by Mr. Hicks, **the KEB audit report for the year ended December 31, 2019 was approved** as presented by Anna Guetersloh. In her opinion, the financial statements present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2019. **KEB issued an unmodified opinion.**

Upon a motion by Mr. Bame, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon to **adopt the Certificate of Resolutions and Incumbency for the new CFC loan.**

Upon a motion by Mr. Jarrett, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously agreed upon to **approve the Secured Promissory Note for the new CFC loan.**

Upon a motion by Mr. Ebers, seconded by Mr. Asaturian, and a vote taken thereon, it was unanimously agreed upon to **approve the Loan Agreement for the new CFC loan.**

Upon a motion by Mr. Pyatt, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously approved to **adopt Board policy 120, USE OF METER READING SYSTEM.**

Upon a motion by Mr. Liefer, seconded by Mr. Ebers, and a vote taken thereon, it was unanimously agreed upon that **Mr. Paul Hicks will be the voting delegate and Mr. Paul Pyatt will be the alternate representative at the 2020 Association of Illinois Electric Cooperatives (AIEC) Annual meeting.**

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

EXECUTIVE SESSION: The board entered executive session at 12:15 PM. They returned to regular session at 1:30 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, May 26, 2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 1:31 PM.

Date Approved: May 26, 2020

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM