

MINUTES OF REGULAR MEETING OF DIRECTORS

May 26, 2020

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday May 26, 2020 at the Headquarters facility. The meeting was called to order at 8:33 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
Brooke Guthman, Staff
Brad Austin, Staff
Bart Swisher, Staff
Travis Deterding, Staff
Jeremy Thies, Staff
Kay Taylor, Staff

Ms. Casey Twomey, Attorney
Ms. Elisha Sanders, Attorney

MEMBER and GUEST COMMENTS: NONE

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 (\$zero) 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. Jarrett and seconded by Mr. Liefer, motion carried.

SIPC DIRECTOR REPORTS: The SIPC report on Electric Systems was given by Mr. Liefer. Mr. Liefer discussed current electric systems projects, requests for system interconnections, and transmission system projects at SIPC. Discussion followed. The SIPC report on Power Production was given by Mr. Pyatt. Mr. Pyatt discussed the status of fuels, fuel markets, regulatory compliance, and electricity production. 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. He also discussed the President's executive order regarding protection of the Bulk Electric System and the meaning to EECA. Discussion followed. A motion was made to approve this report by Mr. Campbell seconded by Mr. Hicks, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. A current listing of members requesting an interconnection of a solar panel was shared in the Board materials. Mr. Austin updated the Board on the new truck stop on I-57, status of casino at Walkers Bluff, and a variety of other projects. Discussion followed. Mr. Austin discussed the AMI deployment schedule. Mr. Austin closed with a brief discussion of electric vehicles. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He discussed the AMI deployment and cybersecurity efforts moving forward. Discussion followed.

MEMBER SERVICES REPORT: Mrs. Guthman presented the Member Services Report. Copies of the upcoming month's Illinois Country Living center section and Page 11 ad were presented in CTO. Mrs. Guthman reviewed status of Annual Meeting scholarships. Discussion followed. Mrs. Guthman also discussed the upcoming member survey and the Red Cross blood drive set for August. Discussion followed.

FINANCIAL REPORTS: Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for April 2020 was \$82,729.61 vs budget of \$-103,408.49. Operating Revenue was \$2,874,251.35 down 3.54% from April last year at \$2,979,750.51. KWH sales were 21,154,789 down 5.9% from last April at 22,480,019. KWH purchases were 21,965,502 a decrease of 4.04% from April last year at 22,889,475. Variance of Major Costs from budget was Power Cost \$377,322.32 lower, Distribution Expense \$64,884.81 higher,

Depreciation \$18,100.72 lower, Interest Expense \$22,591.08 lower, Customer Expenses \$5,057.40 lower, Sales Expense \$2,510.89 lower, and General and Administrative Expenses were \$112,984.10 lower.

Mr. Luehr discussed our distribution equity position, the status of delinquent accounts, the MoneyGram payment process, and the current job opening in the accounting department. Discussion followed.

LEGAL REPORT: Attorney Bill Broom joined the meeting via teleconference at 10AM to present the Legal Report with fellow attorneys, Mrs. Twomey and Mrs. Sanders. Collectively, they discussed with the Board of Directors options for holding a large group meeting, such as the EECA Annual Meeting, in our current pandemic situation. Discussion followed. Mrs. Twomey and Mrs. Sanders presented information regarding the transfer of funds from EECA into the Operations RoundUP program. Discussion followed. Mr. Broom left the meeting at 10:45 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 current finances and capital credits retirement options, recommending leaving the Power Cost Adder (PCA) at 2 mill. Mr. Hermetz discussed the Payroll Protection Program (PPP), stating that electric Cooperatives were eligible to receive funding from the program. Discussion followed. Mr. Hermetz also discussed the Rural Economic Development Loan and Grant Program (REDLG) applications from Pinckneyville Hospital and Kincaid Reed Conservancy District. Discussion followed. Upon a motion by Mr. Pyatt, seconded by Mr. Ebers, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Hicks, seconded by Mr. Bame, and a vote taken thereon, it was unanimously approved to **process an application for funding under the SBA Payroll Protection Program (PPP) and to authorize the General Manager, Shane Hermetz, to execute any and all documents associated with the PPP.**

Upon a motion by Mr. Jarrett, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously approved to **cancel the 2020 EECA Annual Meeting of Members, scheduled for July 16,2020.**

Upon a motion by Mr. Hicks, seconded by Mr. Jarrett and a vote taken thereon, it was unanimously approved to **amend Board policy 116, SEASONAL DISCONNECTION.**

Upon a motion by Mr. Pyatt seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon to **approve the IBEW Memorandum of Agreement, extending the Collective Bargaining Agreement and the Clerical agreement for five years.**

EXECUTIVE SESSION: The board entered executive session at 12:07 PM. They returned to regular session at 12:36 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, June 30, 2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:37 PM.

Date Approved: June 30, 2020

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM