

MINUTES OF REGULAR MEETING OF DIRECTORS

June 30, 2020

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday June 30, 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 Pyatt, Sec.-Treasurer
Kevin Liefer
Ken Jarrett
Randall Campbell
Larry Ebers
Kevin Bame
Rick Asaturian

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. Elisha Sanders, Attorney

Absent: Paul Hicks, Vice President

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 (\$7,229.98) for the month, the AIEC report, the NRECA report, the CRC report, the CFC banking report, the right of way report, the EECA safety report, the regulatory report, and the outage report were approved on a motion by Mr. Jarrett and seconded by Mr. Pyatt, motion carried.

SIPC DIRECTOR REPORTS: The SIPC report on Electric Systems was given by Mr. Liefer. Mr. Liefer discussed the 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 SIPC finances, the average price of electricity paid by SIPC members, and discussed the ongoing trend of market-based power within the MISO footprint. 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. 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 updated the Board on the AMI deployment schedule. Mr. Austin discussed the trend of electric school buses in rural settings. Discussion followed. Mr. Deterding updated the Board on the recent NRECA Rural Electric Safety Achievement Program (RESAP) inspection and shared the results. He also discussed in more detail sections of the current safety report. Discussion followed. Mr. Thies updated the Board on electric trouble-shooting efforts in the Carterville area. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He discussed the AMI deployment and cybersecurity efforts moving forward. Mr. Swisher discussed activities performed as a shared service with Clay Electric Cooperative. Discussion followed. Mr. Swisher closed his report with a brief discussion of video conferencing software that may be used if face to face meetings cannot be held in the future. 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 the Board materials. Mrs. Guthman reviewed the status of the Annual Meeting scholarships. Discussion followed. Mrs. Guthman also discussed the upcoming member survey, the Red Cross blood drive set for August, the new bill format design project, the new membership booklet project, and the efforts to reopen the lobby and drive-up. Discussion followed.

FINANCIAL REPORTS: Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for May 2020 was \$322,675.33 vs budget of \$1,339.07. Operating Revenue was \$2,977,253.78 down 5.06% from May last year at \$3,135,930.57. KWH sales were 22,151,884 down 7.42% from last May at 23,927,192. KWH purchases were 22,293,935 a decrease of 9.4% from May last year at 4,617,639. Variance of Major Costs from budget was Power Cost \$371,616.78 lower, Distribution Expense \$69,438.79 lower, Depreciation \$17,715.28 lower, Interest Expense \$53,861.65 lower, Customer Expenses \$13,856.60 lower, Sales Expense \$2,544.00 lower, and General and Administrative Expenses were \$1,980.89 lower. Mr. Luehr discussed the recent retirement of one employee and the recent resignation of another employee. Discussion followed. Mr. Luehr discussed the status of the Payroll Protection Program (PPP) application. Discussion followed. He also discussed our distribution equity position, the status of delinquent accounts, the status of capital credit retirement checks, the status of the Cost of Service study, and the current job opening in the accounting department. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders briefly discussed a legal matter regarding an underground locate marking company. Discussion followed.

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, along with an update on the RESTORE ILLINOIS program and the EECA response to COVID-19. 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. Asaturian, seconded by Mr. Liefer, 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 **agreed upon to approve the retirement of \$914,500 of Capital Credits as General retirements, 65% using the FIRST IN, FIRST OUT method (FIFO) and 35% using the LAST IN, FIRST OUT (LIFO) method and to continue estate retirements as submitted by members.**

Upon a motion by Mr. Pyatt, seconded by Mr. Liefer, and a vote taken thereon, **it was agreed upon by a vote of 7 voting YES and 1 voting NO to approve a resolution transferring \$10,000 from EECA to the Egyptian Electric Charitable Fund, NFP for the purpose of giving out scholarships for the year 2020.**

Upon a motion by Mr. Bame, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously agreed upon to **grant conditional approval to management to submit the REDLG application for the Pinckneyville Hospital project to USDA for consideration subject to CFC banking approval.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon to **grant conditional approval to management to submit the REDLG application for the Kincaid Reed Creek Conservancy District project to USDA for consideration subject to CFC banking approval.**

EXECUTIVE SESSION: The board entered executive session at 11:30 AM. They returned to regular session at 11:55 AM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, July 28, 2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:56 AM.

Date Approved: July 28, 2020

Paul Pyatt, Secretary

Recorded by Shane Hermetz, EVP/GM