

MINUTES OF REGULAR MEETING OF DIRECTORS

August 25, 2020

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday August 25, 2020 at the Headquarters facility. The meeting was called to order at 8:30 AM by President Pyatt. Present for the meeting were:

Paul Pyatt, President
Paul Hicks, Vice President
Kevin Liefer, Sec.-Treasurer
Ken Jarrett
Randall Campbell
Larry Ebers
Kevin Bame
Rick Asaturian
Steve Prest

Shane Hermetz, GM/EVP
Dennis Luehr, Staff
Kay Taylor, Staff
Brad Austin, Staff
Cheryl Bauersachs, Staff
Brooke Guthman, Staff

Ms. Elisha Sanders, Attorney
Mr. Bill Broom, Attorney

Absent: None

MEMBER and GUEST COMMENTS: No members or guests were in attendance today.

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 EECA safety report, the EECA Strategic Scorecard, the regulatory report, and the outage report were approved on a motion by Mr. Prest and seconded by Mr. Jarrett, 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 the various 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 and the changing power generation system in the Midwest. Discussion followed. A motion was made to approve this report by Mr. Hicks seconded by Mr. Campbell, 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 status of the electric metering system, the truck stop at I-57, and the proposed three phase extension to members in remote areas of our system. Discussion followed. Mr. Austin updated the Board on the electric school buses project with a local school district. Discussion followed.

IT REPORT: Mr. Hermetz presented the IT report. He discussed the various IT-related projects at the cooperative, ranging from PC replacement schedules to server hardware upgrades. Discussion followed. Mr. Hermetz also discussed activities performed as a shared service with Clay Electric Cooperative. 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 upcoming Illinois Country Living article, discussed the Red Cross blood drive results, the new bill format design project, the new membership booklet project, and the status of Operation Round-Up. Discussion followed.

FINANCIAL REPORTS: Mr. Dennis Luehr presented the Human Resources and Finance Report. He introduced the New Accounting Supervisor, Mrs. Cheryl Bauersachs. Discussed followed. Total margin for July 2020 was \$145,917.86 vs budget of \$192,083.97. Operating Revenue was \$3,574,789.51 down 3.17% from July last year at \$3,691,932.16. KWH sales were 28,997,317 up 0.15% from last July at 28,954,911. KWH purchases were

31,410,737 a decrease of 1.38% from July last year at 31,849,834. Variance of Major Costs from budget was Power Cost \$239,941.46 lower, Distribution Expense \$39,401.51 lower, Depreciation \$15,743.94 lower, Interest Expense \$8,685.20 higher, Customer Expenses \$10,205.28 lower, Sales Expense \$2,037.00 lower, and General and Administrative Expenses were \$40,046.84 lower. Mr. Luehr discussed the allocation of Capital Credits from CFC, updated the Board on EECA Capital Credits, updated the Board on the status of the Payroll Protection Program (PPP) forgiveness. Discussion followed. He also discussed our distribution equity position, discussed Regulatory assets currently on the books, the status of delinquent accounts, and the status of the Cost of Service study. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders reported all legal matters are current, with nothing new to report. Mr. Bill Broom discussed his thirty years of service with EECA. Discussion followed. By unanimous consent, the Board of Directors passed a Resolution of Appreciation, recognizing the thirty years of service of Mr. Broom to the members of EECA.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. Items of correspondence, along with questions from last meeting were discussed, and member compliments/complaints were shared. Mr. Hermetz discussed the EECA response to COVID-19, sharing how the Cooperative continues to adapt to changes during the pandemic and how the pandemic has altered the way members use electricity. Discussion followed. Mr. Hermetz reminded Directors of the upcoming Strategic Planning session, highlighting the topics that will be discussed. Discussion followed. Upon a motion by Mr. Campbell, seconded by Mr. Liefer, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Liefer, seconded by Mr. Prest, and a vote taken thereon, it was unanimously agreed upon to **grant pre-budget approval in the amount of \$646,000 on FY2021 budget items, approving the purchase of one (1) Digger Derrick Truck and two (2) Bucket Trucks, to be ordered now, with delivery in the FY2021 budget year.**

EXECUTIVE SESSION: N/A

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, September 29, 2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:46 AM.

Date Approved: September 29, 2020

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM