

MINUTES OF REGULAR MEETING OF DIRECTORS

September 29, 2020

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday September 29, 2020 at the Headquarters facility. The meeting was called to order at 8:33 AM by President Pyatt. Present for the meeting were:

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

Shane Hermetz, GM/EVP
Dennis Luehr, Staff
Brooke Guthman, Staff
Brad Austin, Staff
Cheryl Bauersachs, Staff
Bart Swisher, Staff

Ms. Casey Twomey, Attorney

Absent: Larry Ebers

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 (\$905.86) 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. Liefer, 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 discussed the recent retirement of SIPC Unit 4, along with the recent announcements of other coal plants around the Midwest that have announced closure plans. He updated the Board on the methodology and pricing of the electricity purchased in replacement of SIPC Unit 4. 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 status of the electric metering system, the truck stop at I-57, and the proposed Casino at Walkers Bluff. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He discussed the upcoming hardware replacement for the billing and accounting systems. 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 Classroom Grant program, the AIEC scholarship program, and an update of the new billing format project. Discussion followed.

FINANCIAL REPORTS: Mr. Dennis Luehr presented the Human Resources and Finance Report. Total margin for August 2020 was \$302,934.55 vs budget of \$42,932.84. Operating Revenue was \$3,535,794.06 down 3.56% from August last year at \$3,666,464.02. KWH sales were 26,752,366 down 6.1% from last August at 28,502,987. KWH purchases were 27,406,656 a decrease of 7.7% from August last year at 29,682,689. Variance of Major Costs from budget was Power Cost \$375,934.32 lower, Distribution Expense \$10,432.69 higher, Depreciation \$15,281.27 lower, Interest Expense \$101,741.07 lower, Customer Expenses \$23,699.05 lower, Sales Expense \$1,377.34 higher, and General and Administrative Expenses were \$23,918.02 lower. Mr. Luehr updated

the Board on EECA Capital Credits, updated the Board on the status of the Payroll Protection Program (PPP) forgiveness, and discussed the AIEC/EECA Cost of Service Study. Discussion followed. He also discussed our distribution equity position, discussed Regulatory assets currently on the books, and the status of delinquent accounts. Discussion followed.

LEGAL REPORT: Attorney Casey Twomey reported all legal matters are current, with nothing new to report.

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, including disconnections for nonpayment of members bills with the lifting of the statewide moratorium and forward planning for the next year around COVID. Discussion followed. Mr. Hermetz discussed the Power Cost Adder position moving down by 1.99 mills, the plan moving forward to discuss possible rate changes due to the closure of Unit 4, and the creation of a Bylaw review committee. 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. Hicks, seconded by Mr. Prest, and a vote taken thereon, it was unanimously agreed upon **to approve the minutes of the 2020 Strategic Planning Meeting.**

Upon a motion by Mr. Asaturian, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon **to set the 2021 Board Meeting Dates.**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed upon **to set the 2021 Nominating Committee date for Tuesday, May 4, 2021, 6PM.**

Upon a motion by Mr. Hicks, seconded by Mr. Prest, and a vote taken thereon, it was unanimously agreed upon **to set the date for the 2021 EECA Annual meeting of members for Thursday, July 15, 2021; 6PM.**

Upon a motion by Mr. Jarrett, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon **to set the 2021 Strategic Planning Meeting date for Tuesday, October 12, 2021, 8:30 AM.**

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, October 27, 2020. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:30 AM.

Date Approved: October 27, 2020

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM