

# MINUTES OF REGULAR MEETING OF DIRECTORS

## January 26, 2021

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday January 26, 2021 at the Headquarters facility. The meeting was called to order at 8:27 AM by President Pyatt. Present for the meeting were:

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

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

Elisha Sanders, Attorney  
Casey Twomey, Attorney

Absent: N/A

**MEMBER and GUEST COMMENTS:** Mr. Don Gulley, SIPC General Manager, was in attendance. He updated the Board on events at SIPC. Discussion followed. Mr. Gulley exited the meeting at 9:25AM.

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 (\$6,736.49) 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. Hermetz. Mr. Hermetz discussed the current electric systems projects 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 updated the Board on a variety of regulatory matters affecting SIPC. Discussion followed. A motion was made to approve this report by Mr. Campbell seconded by Mr. Asaturian, 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, update on co-generation metered systems, and presented data on electric system reliability. Discussion followed.

**IT REPORT:** Mr. Swisher presented the IT report. He updated the Board on the completion of computer hardware for the billing and accounting system. He also discussed recent cyber security events in the state and around the nation. 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 updated the Board on the status of kiosks and credit card payment systems and an update of the new billing format project. Discussion followed.

**FINANCIAL REPORTS:** Mr. Dennis Luehr and Mrs. Bauersachs presented the Human Resources and Finance Report. Total margin for December 2020 was negative (\$1,129,474.10) vs budget of \$223,539.11. Operating Revenue was \$3,943,195.46 up 3.38% from December last year at \$3,814,368.45. KWH sales were 31,680,249 up 7.06% from last December at 29,591,492. KWH purchases were 33,540,747 an increase of 6.65% from December last year at 31,448,615. Variance of Major Costs from budget was Power Cost \$255,036.30 lower, Distribution Expense \$3,299.82 lower, Depreciation \$4,355.55 lower, Interest Expense \$39,371.98 lower, Customer Expenses \$12,691.48 higher, Sales Expense \$17,072.10 higher, and General and Administrative

Expenses were \$1,390,799.73 higher Mr. Luehr updated the Board on the projected year end finances, including yearend margin and equity positions, and the upcoming audit in February. Mr. Luehr and Mr. Hermetz discussed year end positions and capital credit philosophy for FY2021. Discussion followed.

**LEGAL REPORT:** Attorney Casey Twomey reviewed Board policy 220 (Ethics) and Board policy 402 (Function of the Board). Discussion followed. Attorney Elisha Sanders reviewed legal findings regarding electric rates for members with an interconnected co-generation. Discussion followed. Mr. Hermetz updated the Board on the Next Level lawsuit; discussion followed.

**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 presented a new rate schedule (A-1) for Board consideration, a bundled rate for existing members with co-generation. He discussed options for the members that would be eligible for the proposed rate schedule. Discussion followed. Mr. Hermetz presented all existing rate schedules for review, presented the IBEW agreements as amended for review, and discussed the upcoming 2021 Annual meeting of members. Discussion followed. Upon a motion by Mr. Hicks, seconded by Mr. Liefer, the General Manager's report was approved.

**OTHER BUSINESS:**

Upon a motion by Mr. Campbell, seconded by Mr. Asaturian, and a vote taken thereon, it was unanimously approved to **confirm Kevin Liefer, Paul Pyatt, Ken Jarrett, and Shane Hermetz as SIPC Directors for 2021.**

Upon a motion by Mr. Jarrett, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously approved to **adopt Rate Schedule A-1.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **establish the cutoff dates of all co-generations applications received by February 28, 2021 and/or all co-generation systems installed by April 1, 2021 as the timeframe for members to qualify for Rate Schedule A-1.**

Upon a motion by Mr. Campbell, seconded by Mr. Bame, and a vote taken thereon, it was unanimously approved to **set a sunset date for Rate Schedule A-1, with all members on Rate Schedule A-1 being moved to Rate Schedule A no later than April 1, 2026.**

**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, February 23, 2021. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:24 PM.

Date Approved: February 23,2021

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Kevin Liefer, Board Secretary/Treasurer

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Recorded by Shane Hermetz, EVP/GM