

MINUTES OF REGULAR MEETING OF DIRECTORS

March 30, 2021

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, March 30, 2021 at the Headquarters facility. The meeting was called to order at 8:30 AM by Vice-President Hicks. Present for the meeting were:

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

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

Casey Twomey, Attorney

Absent: Paul Pyatt, President

MEMBER and GUEST COMMENTS: Ms. Anna Guetersloh of Kerber Eck & Braeckel (KEB) was also in attendance. Ms. Guetersloh presented the 2020 Audit. Ms. Guetersloh left the meeting at 8:50 AM.

The **CONSENT AGENDA**, consisting of the consideration of prior month's board meeting minutes, review of 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 (\$12,995.48) for the month, the AIEC report, the NRECA report, the CRC report, the CFC 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. Jarrett and seconded by Mr. Asaturian, motion carried.

SIPC DIRECTOR REPORTS: The SIPC report on Electric Systems was given by Mr. Liefer. Mr. Liefer discussed the current electric systems and transmission-level projects. Discussion followed. The SIPC report on Power Production was given by Mr. Hermetz. Mr. Hermetz discussed committee activities regarding a proposed professional services contract and gave an update on regulatory compliance issues. 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 the impacts of the extreme weather and the decision made at SIPC regarding changes to their Power Cost Adjustment (PCA). Discussion followed. A motion was made to approve these reports by Mr. Prest and seconded by Mr. Jarrett, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. A current listing of members requesting an interconnection of co-generation was shared in the Board materials. Mr. Austin updated the Board on the status of various construction projects in the area, the status of the electric metering system, and the recent purchase of our first electric vehicle. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He informed the Board on recent changes in credit card security and the upcoming replacement of credit card terminals at the office. Discussion followed.

MEMBER SERVICES REPORT: Mrs. Guthman presented the Member Services Report. Copies of the upcoming month's Illinois Country Living center section, the employee newsletter, and the ICL Page 11 ad were presented in the Board materials. Mrs. Guthman updated the Board on Operation Round Up, changes in LIHEAP, activities in the local community, and activities in the front office. Discussion followed.

FINANCIAL REPORTS: Mr. Luehr and Mrs. Bauersachs presented the Human Resources and Finance Report. Total margin for February 2021 was \$235,112.52 vs budget of (\$20,495.97). Operating Revenue was \$4,155,281.14 up 14.71% from February last year at \$3,622,506.23. KWH sales were 33,551,003 up 18.16% from last February at 28,394,078. KWH purchases were 37,678,692 an increase of 23.49% from February last year at 30,510,715. Variance of Major Costs from budget was Power Cost \$505,063.99 higher, Distribution Expense \$88,749.63 lower, Depreciation \$25,762.48 lower, Interest Expense \$20,295.69 lower, Customer Expenses \$3,255.65 higher, Sales Expense \$2,583.14 lower, and General and Administrative Expenses were \$40,543.83 lower. Mr. Luehr updated the Board on the year end filings, including the CFC Form 7 and IRS 990

information. He also discussed the completion of the 2020 audit, capital credit allocations for 2020, and possible capital credit retirements in 2021. Discussion followed.

LEGAL REPORT: Attorney Casey Twomey discussed the recent bankruptcy filings in Texas due to cold weather and high energy prices. Discussion followed. Mrs. Twomey also discussed issues related to the business section of the 2021 Annual meeting of EECA members. Discussion followed.

MANAGER'S REPORT: Mr. Hermetz presented the Manager's report. Items of correspondence, an update on COVID-related issues, along with questions from last meeting were discussed, and member compliments/complaints were shared. Mr. Hermetz discussed the 2021 Annual meeting, the upcoming Strategic planning session in October, and provided an update on pending legislation in the state. Discussion followed. Upon a motion by Mr. Campbell, seconded by Mr. Prest, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Liefer, and second by Mr. Campbell, **the KEB audit report for the year ended December 31, 2020 was approved** as presented by Ms. Anna Guetersloh. In her opinion, the financial statements present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2020. **KEB issued an unmodified opinion.**

Upon a motion by Mr. Campbell, seconded by Mr. Asaturian, and a vote taken thereon, it was unanimously agreed upon that **Mr. Paul Pyatt will be the voting delegate and Mr. Paul Hicks will be the alternate representative at the 2021 Association of Illinois Electric Cooperatives (AIEC) Annual meeting.**

EXECUTIVE SESSION: The Board entered executive session at 11:40 AM. They returned to regular session at 12:12 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, April 27, 2021. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:13 PM.

Date Approved: April 27,2021

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM