

MINUTES OF REGULAR MEETING OF DIRECTORS

January 25, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, January 25, 2022, 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
Kevin Bame
Ken Jarrett
Mary Jo Homan
Randall Campbell
Steve Prest
Rick Asaturian

Shane Hermetz, GM/EVP
Brad Austin, Staff
Brooke Guthman, Staff
Dennis Luehr, Staff
Travis Deterding, Staff

Casey Twomey, Attorney
Bart Swisher, Staff
Julie Loesing, Staff
Jennifer Nugent, Staff

MEMBER and GUEST COMMENTS: N/A

RECESS: The Board went into recess at 8:32 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:41AM.

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 (\$6,011.97) 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, the Power Cost Adjustment report, the Equity Analysis report, and the outage report were approved on a motion by Mr. Liefer and seconded by Mr. Prest, motion carried.

SIPC DIRECTOR REPORTS: The SIPC report on Electric Systems was given by Mr. Liefer. The SIPC report on Power Production was given by Mr. Pyatt. The SIPC report on Admin and Finance was given by Mr. Jarrett. Mr. Hermetz discussed year-end expectations for SIPC. Discussion followed. A motion was made to approve these reports by Mr. Jarrett and seconded by Mrs. Homan, 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, including Walkers Bluff Casino and Pinckneyville Hospital expansion. Discussion followed. He also discussed the electric vehicle charger project, the meter replacement project, and discussed supply chain concerns for the electric industry. He concluded his remarks by sharing year end system reliability statistics with the Board. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. He informed the Board of updates to the NISC system along with updates to various other computer systems. He discussed proposed fiber optic projects with Egyptian Telephone extending fiber service into EECA substations. He concluded his remarks with a discussion on cyber security testing. 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 the status of the Capital Credits review process, Operation Round-UP, Classroom grants, AIEC Youth Day and NRECA Youth Tour program, and other activities in the member Services Department. She also shared an update on the NRECA MIP program and her recent graduation from the Delta Leadership program. Discussion followed.

FINANCIAL REPORT: Mrs. Bauersachs presented the Human Resources and Finance Report. She updated the Board on current month and year to date finances. She reported that the total margin for December 2021 was \$174,718.14 vs budget of \$267,197.94. Operating Revenue was \$3,362,409.15 down 13.56% from December last year at \$3,889,930.34. KWH sales were 26,422,076 down 16.6% from last December at 31,680,249. KWH

purchases were 27,770,661 a decrease of 17.2% from December last year at 33,540,747. Variance of Major Costs from budget was Power Cost \$219,759.37 lower, Distribution Expense \$20,914.97 lower, Depreciation \$10,481.54 lower, Interest Expense \$20,617.01 lower, Customer Expenses \$3,502.46 lower, Sales Expense \$9,464.36 higher, and General and Administrative Expenses were \$4,991.52 higher. Discussion followed. Mr. Luehr also updated the Board on the Cooperative's equity position, and cash flow. Discussion followed.

LEGAL REPORT: Attorney Casey Twomey reviewed Board policy 220 (Ethics), Board policy 401 (Qualifications), and Board policy 402 (Function of the Board). She reviewed the annual disclosure of conflicts form with the Board and instructed them in how to complete the form. 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 updated the Board on a project covered by a Non-Disclosure Agreement. He also presented draft changes to Policy 109 – Disconnection, Policy 117-Prepayment, Policy 201-Regular Work Hours, and Policy 402-Board Function. He presented in draft form two new policies: Policy 230-Pandemic Response and Policy 231 – Maternity Leave. Discussion followed. He presented information regarding Broadband services and a proposal from a neighboring telecommunications cooperative regarding a joint project. Discussion followed. He ended his remarks by discussing the Action Committee for Rural Electrification (ACRE) program. Discussion followed. Upon a motion by Mr. Liefer, seconded by Mrs. Homan, 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 **authorize all Directors to attend the 2022 SIPC Annual meeting on March 31, 2022.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **confirm Kevin Liefer, Paul Pyatt, Ken Jarrett, and Shane Hermetz as SIPC Directors for 2022.**

Upon a motion by Mr. Prest, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed to **amend Board Policy 119 – Meter Tampering.**

Upon a motion by Mr. Prest, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed to **amend Board Policy 109 – Disconnection of Service, Board Policy 117 – Prepayment System, Board Policy 201 – Regular Work Hours, Board Policy 402 – Board Function and adopt Board Policy 230 – Pandemic Response and Board Policy 231 – Maternity Leave.**

EXECUTIVE SESSION: The Board entered executive session at 12:29PM They returned to regular session at 12:49PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, February 22, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:50 PM.

Date Approved: February 22, 2022

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM