

MINUTES OF REGULAR MEETING OF DIRECTORS

November 30, 2021

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, November 30, 2021, at the Headquarters facility. The meeting was called to order at 8:25 AM by President Pyatt. Present for the meeting were:

Paul Pyatt, President
Paul Hicks, Vice President
Kevin Liefer, Sec.-Treasurer
Kevin Bame
Rick Asaturian
Mary Jo Homan
Randall Campbell
Steve Prest

Shane Hermetz, GM/EVP
Brad Austin, Staff
Brooke Guthman, Staff
Dennis Luehr, Staff
Bart Swisher, Staff
Jeremy Thies, Staff

Casey Twomey, Attorney
Jennifer Nugent, Staff
Julie Loesing, Staff
Kay Taylor, Staff
Travis Deterding, Staff

Absent: Ken Jarrett

MEMBER and GUEST COMMENTS: Mr. Don Gulley, CEO of Southern Illinois Power Cooperative (SIPC), was present for the meeting. He updated the Board on upward pricing pressures on energy, along with an update on rates at SIPC. He also discussed the future energy requirements of the seven cooperative systems and what SIPC was doing to keep prices affordable. Discussion followed. He departed the Board meeting at 9:43AM.

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 (\$10,653.04) 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. Prest 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. The SIPC report on Power Production was given by Mr. Pyatt. Mr. Pyatt discussed current and pending regulatory compliance concerns, along with the status of power production at the Marion and Prairie State power plants. Discussion followed. The SIPC report on Admin and Finance was given by Mr. Hermetz. Mr. Hermetz reviewed current finances for the month and year to date. Discussion followed. Mr. Hermetz also summarized the overall FY2022 budget proposal for SIPC. Discussion followed. A motion was made to approve these reports by Mr. Hicks 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 status of the metering project and discussed supply chain concerns for the electric industry. 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 and Clearwave, extending fiber service into EECA substations. Mr. Swisher also introduced the new IT Engineer, Mrs. Jennifer Nugent, to the Board. Discussion followed.

MEMBER SERVICES REPORT: Ms. Loesing 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. Ms. Loesing updated the Board on the status of the Capital Credits review process, Operation Round-UP, Classroom grants, and other activities in the member Services Department. Discussion followed.

FINANCIAL REPORT: Mr. Luehr presented the Human Resources and Finance Report. He updated the Board on current month and year to date finances. He reported that the total margin for October 2021 was \$62,092.77 vs

budget of \$29,872.52. Operating Revenue was \$2,974,109.62 down 0.25% from October last year at \$2,981,487.81. KWH sales were 22,797,095 up 1.65% from last October at 22,427,437. KWH purchases were 23,935,690 an increase of 2.19% from October last year at 23,442,641. Variance of Major Costs from budget was Power Cost \$143,694.68 lower, Distribution Expense \$252.55 lower, Depreciation \$13,366.75 lower, Interest Expense \$21,044.82 lower, Customer Expenses \$10,451.51 lower, Sales Expense \$1,608.62 lower, and General and Administrative Expenses were \$9,933.90 lower. Discussion followed. Mr. Luehr also updated the Board on the Cooperative's equity position, and cash flow. Discussion followed.

LEGAL REPORT: Attorney Casey Twomey reported that she had completed the work on the Board resolutions regarding Operation RoundUP and that she continues to work with the management team to review Board policies. 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 the FY2022 budget. Discussion followed. He also updated the Board on the Presidential directives to get all Americans vaccinated. Discussion followed. Upon a motion by Mr. Campbell, seconded by Mrs. Homan, the General Manager's report was approved.

EXECUTIVE SESSION: Upon a motion from Mr. Asaturian, seconded by Mr. Hicks, the Board entered executive session at 11:50AM. Upon a motion from Mr. Prest, seconded by Mr. Liefer, the Board returned to regular session at 12:03 PM.

RECESS: The Board went into recess at 12:11PM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 12:14 PM.

OTHER BUSINESS:

Upon a motion by Mr. Liefer, seconded by Mr. Bame, and a vote taken thereon, it was unanimously agreed **to adopt the FY2022 Budget as presented.**

Upon a motion by Mr. Campbell, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously agreed **to amend rate schedule LP-1.**

Upon a motion by Mr. Bame, seconded by Mr. Prest, and a vote taken thereon, it was unanimously agreed **to appoint Mr. Kevin Liefer as Delegate and Mr. Shane Hermetz as Alternate Delegate to the 2021 IL Cooperative Workers Compensation Annual meeting in December.**

Upon a motion by Mrs. Homan, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed **to adopt a Board resolution appointing six (6) Board members to fill the vacancies created by a resolution of the Egyptian Electric Charitable Fund, NFP Board, which increased the number of Directors from three (3) members to nine (9) members.**

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, December 21, 2021. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:27 PM.

Date Approved: December 21, 2021

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM