

MINUTES OF REGULAR MEETING OF DIRECTORS

February 22, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, February 22, 2022, at the Headquarters facility. The meeting was called to order at 8:26 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
Steve Prest
Rick Asaturian

Shane Hermetz, GM/EVP
Brad Austin, Staff
Brooke Guthman, Staff
Cheryl Bauersachs, Staff
Travis Deterding, Staff

Elisha Sanders, Attorney
Art Pontow, Staff
Julie Loesing, Staff
Chris Barton, Staff

Absent: Randall Campbell

MEMBER and GUEST COMMENTS: N/A

RECESS: The Board went into recess at 8:27 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:32 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 (\$6,406.32) 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 Mrs. Homan, motion carried.

SIPC DIRECTOR REPORTS: The SIPC report was given by Mr. Hermetz. He discussed the recent review of the SIPC cost of service study and the upcoming rate study. He also discussed inflationary pressures on energy prices. Discussion followed. A motion was made to approve the report by Mr. Hicks 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, including Walkers Bluff Casino. He also discussed the electric vehicle charger project, the meter replacement project, and discussed supply chain concerns for the electric industry. Discussion followed. Mr. Deterding discussed forestry activities and upcoming safety training events. Discussion followed.

IT REPORT: Mr. Austin presented the IT report. He informed the Board of updates to the internal computer systems and a recent issue with the internal email system. He concluded his remarks with a discussion on cyber security testing penetration testing and the results of a recent testing event. 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 Operation Round-UP, AIEC Youth Day, and other activities in the Member Services Department. She also shared an update on the NRECA MIP program. Ms. Loesing shared an update on activities in the front office, including an update on cross training of employees. 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 January 2022 was \$493,919.48 vs budget of \$555,937.10. Operating Revenue was \$4,540,397.06 up 5.7% from January last year at \$4,297,339.75. KWH sales were 37,610,660 up 18.7% from last January at 31,680,249. KWH purchases were

39,454,905 an increase of 11.9% from January last year at 35,252,013. Variance of Major Costs from budget was Power Cost \$451,446.48 higher, Distribution Expense \$31,121.09 lower, Depreciation \$4,241.30 lower, Interest Expense \$16,944.01 higher, Customer Expenses \$6,568.28 lower, Sales Expense \$4,105.69 lower, and General and Administrative Expenses were \$66,649.02 lower. Discussion followed. Mrs. Bauersachs also updated the Board on the Cooperative's equity position, and cash flow. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders reviewed that there were no new legal issues to bring before the Board.

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 presented draft changes to Policy 509 – Interconnection. Discussion followed. He presented information regarding a recent electric metering tampering event, shared information regarding the federal Infrastructure bill and how funds may become available for Cooperative projects, discussed options for the 2022 Strategic planning session, and presented four (4) proposed electric service rates for the purpose of testing internal systems for future energy pricing. Discussion followed. Upon a motion by Mr. Hicks, seconded by Mr. Asaturian, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Prest, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously approved to **set the 2022 Strategic Planning meeting for Tuesday November 8, 2022, beginning at 8:30AM.**

Upon a motion by Mr. Prest, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously approved to **amend Board policy 509 - Interconnection.**

Upon a motion by Mr. Asaturian, seconded by Mrs. Homan, and a vote taken thereon, it was unanimously approved to **adopt a Board resolution, allowing the General Manager authority to add additional user access to the NRUCFC account.**

Upon a motion by Mr. Prest, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed to **appoint Mr. Paul Pyatt as the CRC voting delegate and Mr. Kevin Liefer as the CRC Alternate Voting Delegate for 2022.**

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, March 29, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:34 AM.

Date Approved: March 29, 2022

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM