

MINUTES OF REGULAR MEETING OF DIRECTORS

March 29, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, March 29, 2022, 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
Mary Jo Homan
Steve Prest
Rick Asaturian
Randall Campbell

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

Elisha Sanders, Attorney
Casey Twomey, Attorney
Julie Loesing, Staff
Jeremy Theis, Staff
Jennifer Nugent, Staff
Travis Deterding, Staff

Absent: None

MEMBER and GUEST COMMENTS: Ms. Anna Guetersloh of Kerber Eck & Braeckel (KEB) was also in attendance. Ms. Guetersloh presented the 2021 Audit. Ms. Guetersloh left the meeting at 8:43 AM.

RECESS: The Board went into recess at 8:43 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:46 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 (\$10,184.12) 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. Jarrett and seconded by Mrs. Homan, 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 the upcoming 2022 SIPC annual meeting and the status of the Cost of Service study at SIPC. Discussion followed. A motion was made to approve these reports by Mr. Campbell and seconded by Mr. Liefer, 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 a potential new project located at the Kaskaskia River Port District. 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 reviewing trendlines associated with the cost of power for the seven owners of SIPC. Discussion followed. Mr. Deterding discussed forestry activities and upcoming safety training events. Mr. Theis updated the Board on current construction projects as well. Discussion followed.

IT REPORT: Mr. Swisher and Mrs. Nugent presented the IT report. Mr. Swisher informed the Board of updates to the internal computer systems and recent cybersecurity concerns. He concluded his remarks with a discussion on physical security concerns at EECA substations. 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, the upcoming Red Cross Blood Drive, and the upcoming electronics recycling event. Discussion followed. Ms. Loesing shared an update on activities in the front office. 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 February 2022 was \$298,612.19 vs budget of \$7,688.01. Operating Revenue was \$3,896,228.69 down 6.2% from February last year at \$4,155,281.14. KWH sales were 31,488,664 down 6.1% from last February at 33,551,004. KWH purchases were 32,913,266 a decrease of 12.7% from February last year at 37,678,692. Variance of Major Costs from budget was Power Cost \$361,726.14 lower, Distribution Expense \$64,517.94 lower, Depreciation \$3,708.31 lower, Interest Expense \$37,557.88 lower, Customer Expenses \$14,510.38 lower, Sales Expense \$3,560.96 lower, and General and Administrative Expenses were \$93,300.65 lower. Discussion followed. Mr. Luehr 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. She discussed the ongoing review with management of board policy, including the capital credit process. Discussion followed. Attorney Casey Twomey reviewed with the Board the difference between criminal and civil penalties as they pertain to electric tampering and theft of service. 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 presented draft changes to Policy 108 – Capital Credits and Policy 218 - Nepotism. Discussion followed. Upon a motion by Mr. Asaturian, seconded by Mr. Liefer, the General Manager's report was approved.

OTHER BUSINESS:

The following members were appointed by the Board of Directors to the 2022 Nominating and Credentials Committee: Donald Stallman, Stuart Langrehr, Richard Fager, Wes Fritsche, Kenneth Hollmann, Steve Stallman, Cynthia Winter, Matt Crain, and Tony Goodin.

Upon a motion by Mr. Jarrett, and second by Mr. Prest, **the KEB audit report for the year ended December 31, 2021 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, 2021. **KEB issued an unmodified opinion.**

Upon a motion by Mr. Campbell, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously approved to **confirm Steve Prest as AIEC Director and Paul Hicks as Alternate AIEC Director for 2022.**

Upon a motion by Mr. Hicks, seconded by Mr. Prest, and a vote taken thereon, it was unanimously agreed upon **that Mr. Kevin Liefer will be the voting delegate and Mr. Randall Campbell will be the alternate representative at the 2022 Association of Illinois Electric Cooperatives (AIEC) Annual meeting.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **amend Board policy 108 – Capital Credits.**

Upon a motion by Mr. Jarrett, seconded by Mr. Hicks, and a vote taken thereon, it was unanimously approved to **amend Board policy 218 – Nepotism.**

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, April 26, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:55 AM.

Date Approved: April 26, 2022

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM