

MINUTES OF REGULAR MEETING OF DIRECTORS

April 26, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, April 26, 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
Randall Campbell
Ken Jarrett
Mary Jo Homan
Steve Prest
Rick Asaturian

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

Elisha Sanders, Attorney
Jennifer Nugent, Staff
Jeremy Theis, Staff

Absent: Kevin Bame

MEMBER and GUEST COMMENTS: None

RECESS: The Board went into recess at 8:30 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:40 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 (\$5214.15) 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 was given by Mr. Hermetz. He summarized activities at SIPC and discussed the recent MISO Planning Resource Auction and its ramifications on power supply costs starting in June. Discussion followed. A motion was made to approve these reports by Mr. Campbell and seconded by Mr. Asaturian, 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. He also discussed the electric vehicle charger project, the completion of the meter replacement project, and discussed supply chain concerns for the electric industry. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. Mr. Swisher informed the Board of updates to the internal computer systems and recent cybersecurity concerns. He also discussed proposed changes to EECA policy regarding use of electronic devices such as computers, iPads, and email. Discussion followed.

MEMBER SERVICES REPORT: Mr. Hermetz 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. Mr. Hermetz updated the Board on the status of the AIEC Youth Day and NRECA Youth tour programs, the plan for summer interns, and the results of the past electronics recycling event. Discussion followed. Mr. Hermetz shared that EECA had received an inquiry regarding a Rural Economic Development Loan, via the USDA REDLG program. Mr. Hermetz shared details of the project and requested guidance on the inquiry. After discussion, Mr. Hermetz was directed to follow company policy, as the project would not be eligible for REDLG funding from EECA in accordance with EECA policy 309.

FINANCIAL REPORT: Mrs. Bauersachs presented the Human Resources and Finance Report. She updated the Board on current month and year to date finances. She discussed current cash and equity positions. She also reported that the total margin for March 2022 was \$342,616.70 vs budget of \$183,619.29. Operating Revenue

was \$3,250,161.45 down 1.03% from March last year at \$3,283,939.46. KWH sales were 25,436,878 down 0.1% from last March at 25,461,830. KWH purchases were 26,500,952 an increase of 6.95% from March last year at 24,778,234. Variance of Major Costs from budget was Power Cost \$232,338.64 higher, Distribution Expense \$65,209.45 lower, Depreciation \$3,725.38 lower, Interest Expense \$7,909.73 lower, Customer Expenses \$13,099.49 lower, Sales Expense \$1,675.18 lower, and General and Administrative Expenses were \$96,570.19 lower. Mrs. Bauersachs presented multiple scenarios for the Board to consider regarding the retirement of Capital Credits for 2022. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders reported 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 discussed the efforts led by NRECA to fund electric vehicle charging in rural areas, he discussed future revisions to Board policy 229 – Cybersecurity, and discussed the process of preparing the EECA rate structure for time of use and electric vehicles. Discussion followed. He closed his presentation by discussing a power theft occurrence at a location in Jacob. Discussion followed. Upon a motion by Mr. Liefer, seconded by Mr. Hicks, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **set the 2022 Strategic Planning meeting for November 15, 2022, starting at 8:30 AM.**

Upon a motion by Mr. Hicks, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed upon **that Mr. Shane Hermetz will be the voting delegate and Mrs. Cheryl Bauersachs will be the alternate representative at the 2022 CFC Annual meeting.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **contribute \$500 to the CFC System Integrity Fund in 2022.**

Upon a motion by Mr. Jarrett, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed upon to **accept the recommendations of the Egyptian Electric Chartable Fund NFP Board to award two grants in Q1 of 2022, a five-hundred-dollar (\$500) grant to St. Francis Animal Shelter and a five-hundred-dollar (\$500) grant to Toys for Tots.**

Upon a motion by Mr. Prest, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously approved to **retire up to \$1,001,755 of Capital Credits as General Retirements, retiring 100% of year 1991 and 20% of year 1992, all using the FIRST IN, FIRST OUT method (FIFO) method, to continue estate retirements as submitted by members in accordance with Board policy 108, and to retire estate retirements for business accounts as submitted by members on a case by case basis.**

Upon a motion by Mr. Liefer, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously approved to **adopt a Resolution Authorizing the Amendment and Restatement of the Retirement Security and/or Pension Plan.**

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, May 31, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:25 AM. Date Approved: May 31 2022

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM