

MINUTES OF REGULAR MEETING OF DIRECTORS

May 31, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, May 31, 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
Rick Asaturian
Kevin Bame
Ken Jarrett
Steve Prest
Mary Jo Homan

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

Elisha Sanders, Attorney
Jennifer Nugent, Staff
Travis Deterding, Staff

Absent: Kevin Liefer, Sec.-Treasurer; Randall Campbell; Director Homan left the meeting at 10:30AM

MEMBER and GUEST COMMENTS: None

RECESS: The Board went into recess at 8:26 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:29 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 (\$2668.73) 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 Power Delivery was given by Mr. Hermetz. 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 SIPC strategic planning session and continued the discussion from last month regarding the MISO Planning Resource Auction. Discussion followed. A motion was made to approve these reports by Mr. Bame and seconded by Mr. Jarrett, motion carried.

ENGINEERING\OPERATIONS REPORT: Mr. Austin and Mr. Deterding 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 ongoing supply chain concerns for the electric industry and the recent SIPC engineering meeting to review the SIPC load shedding plan that would be implemented in the event of a call for load conservation and/or to implement a forced outage to preserve grid stability (a rolling blackout). Discussion followed. Mr. Deterding discussed the recent Federated insurance safety and loss prevention assessment. 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. He also updated the Board on contract IT services performed for the benefit of a neighboring cooperative. Discussion followed.

MEMBER SERVICES REPORT: Mrs. Loesing and 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. Mrs. Loesing updated the Board on activities in the members services department, while Mr. Hermetz updated the Board on the status of the plan for summer interns, and the plan for a Key Accounts meeting in October. 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 discussed current cash and equity positions. She also

reported that the total margin for April 2022 was negative (\$62,901.86) vs budget of (\$156,232.71.) Operating Revenue was \$2,906,299.02 up 4.5% from April last year at \$2,781,216.27. KWH sales were 21,900,800 up 4.59% from last April at 20,938,845. KWH purchases were 22,834,072 an increase of 4.53% from April last year at 21,844,602. Variance of Major Costs from budget was Power Cost \$15,339.20 higher, Distribution Expense \$2,328.00 higher, Depreciation \$1,748.20 lower, Interest Expense \$8,758.54 lower, Customer Expenses \$20,821.01 lower, Sales Expense \$2,491.96 lower, and General and Administrative Expenses were \$4,286.68 lower. Mrs. Bauersachs also reviewed the 2021 Form 990. 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 recent news reports of possible electric blackouts as a result of electric demand being higher than projected available supply. Discussion followed. He discussed Clean School bus program as administered by the federal EPA along with the updated balance of all Rural Economic loans and grants (REDLG) outstanding. He also discussed the difference between the loan and grant (revolver) programs. Discussion followed. He closed his presentation by providing a glance into strategic planning this fall and the topics to be discussed. 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 **amend Board policy 229 – Cybersecurity.**

Upon a motion by Mr. Hicks, seconded by Mr. Bame, and a vote taken thereon, it was unanimously agreed upon **that Director Steve Prest will be the voting delegate and Director Ken Jarrett will be the alternate representative at the 2022 NRECA Region 5 business meeting.**

EXECUTIVE SESSION: The Board of Directors entered Executive Session at 8:48AM. The Board of Directors exited Executive Session at 8:59 AM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, June 28, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:33 AM.

Date Approved: June 28, 2022

Kevin Liefer, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM