

# MINUTES OF REGULAR MEETING OF DIRECTORS

## June 28, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, June 28, 2022, at the Headquarters facility. The meeting was called to order at 8:21 AM by President Pyatt. Present for the meeting were:

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

Shane Hermetz, GM/EVP  
Brad Austin, Staff  
Art Pontow, Staff  
Dennis Luehr, Staff  
Jeremy Thies, Staff

Casey Twomey, Attorney  
Jennifer Nugent, Staff  
Brooke Guthman, Staff  
Travis Deterding, Staff

Absent: N/A

**MEMBER and GUEST COMMENTS:** None

**RECESS:** The Board went into recess at 8:22 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:25 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 (\$2393.67) 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. Asaturian and seconded by Mrs. Homan, motion carried.

**AIEC and SIPC REPORTS:** Mr. Prest gave the AIEC report. He discussed the addition of Southwestern IL Electric Cooperative to the Association and the downward effect on Cooperative dues. He also discussed legislative issues, inflationary concerns for the IL County Living Magazine, the AIEC Director training classes for the upcoming year, and the status of the AIEC CEO search. Discussion followed.

Mr. Hermetz updated the Board on activities at SIPC. He discussed the recent ACES Power Marketing conference, forward looking energy pricing, inflationary concerns, and persistent supply chain concerns at SIPC. He discussed current projects at SIPC, including the Strategic Planning session scheduled for July. Discussion followed. A motion was made to approve these reports by Mr. Prest and seconded by Mr. Campbell, 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 discussed the ongoing supply chain concerns for the electric industry and shared the status of key construction projects. He shared that EECA has selected ChargePoint EV charging equipment as the manufacturer of choice for the upcoming EV charger install project at select locations and shared examples of recent billing statements for the local investor-owned utility, illustrating the changes in the rates due to recent electric market volatility. Mr. Austin closed by discussing the recent electric vehicle survey conducted online and shared the results. Discussion followed.

**IT REPORT:** Mrs. Nugent presented the IT report. Mrs. Nugent shared the status of the security camera upgrades at the office, along with security changes to certain access doors. She discussed the status of fiber service to key substations, the ongoing efforts to protect data from cyber criminals and discussed the plans of migrating to a new email platform. 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, recent press releases and social media messages regarding blackouts, and the ICL Page 11 ad were presented in the Board materials. Mrs. Guthman updated the Board on activities in the members services department, including status of publications pertaining to the 2022 annual meeting, annual meeting scholarships, and the annual statewide survey questions that we will be asking members this year. She discussed the communications in social media, radio, television, and in paper

handouts that discuss the concerns of possible blackouts due to a capacity shortage projected by MISO. Discussion followed. She discussed the efforts to assist local school districts with acquisition of electric school buses via the federal EPA electric school bus program. In closing, she shared the written Board communications plan that addresses membership questions regarding governance that we be discussed in length at the 2022 strategic planning session in November. Discussion followed.

**FINANCIAL REPORT:** Mr. Hermetz presented the Human Resources and Finance Report. He updated the Board on current month and year to date finances. He discussed the current margin position and cash flow concerns. He shared data on the history of the power cost adjustment line. For month ending May 2022, he reported that the total margin for May was negative (\$61,277.29) vs budget of (\$19,768.89.) Operating Revenue was \$3,025,757.29 up 7.97% from May last year at \$2,802,488.84. KWH sales were 23,176,346 up 5.16% from last May at 22,038,648. KWH purchases were 24,146,884 an increase of 6.93% from May last year at 22,582,626. Variance of Major Costs from budget was Power Cost \$204,051.84 higher, Distribution Expense \$321.26 lower, Depreciation \$1,464.71 lower, Interest Expense \$11,898.44 lower, Customer Expenses \$18,019.61 lower, Sales Expense \$7,075.08 higher, and General and Administrative Expenses were \$64,178.44 lower. Discussion followed. In closing, he shared that the IRS has amended standard milage rate, effective July 1<sup>st</sup>, changing from 58.5 cents per mile to 62.5 cents per mile. Discussion followed.

**LEGAL REPORT:** Attorney Casey Twomey reported that the legal team continues to work with EECA to modernize the methods used to retire capital credits and membership account matters. She also discussed the upcoming NRECA legal conference. 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 shared updated information regarding electricity markets and possible MISO-directed blackouts. Mr. Hermetz shared information regarding electric rates for all IL cooperatives, an update on the pandemic response plan, updates regarding the ongoing efforts by others to extend Broadband service in Jackson County, and updates regarding the Jackson County LEAP grant. He presented and reviewed three proposed electric rates: a single-phase electric vehicle charging rate, a three-phase electric vehicle charging rate, and a pilot testing rate for the testing of residential demand and energy time of use. Discussion followed. He closed his presentation by commenting on the inflationary pressures the cooperative is facing and discussed that the Cooperative will raise the power cost adjustment fee by one-tenth of one penny (1 mill), equating to one dollar per one thousand kilowatt hours sold as an effort to slowly address ongoing inflationary concerns. Discussion followed. Upon a motion by Mr. Bame, seconded by Mr. Jarrett, the General Manager's report was approved.

**OTHER BUSINESS:**

Upon a motion by Mr. Hicks, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously approved to **adopt Rate schedule A-2 single phase residential demand and time of use, rate schedule EV-1 electric vehicle, single phase, separate meter, and EV-3 electric vehicle, three phase, separate meter.**

**EXECUTIVE SESSION:** No executive session

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, July 26, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:47 AM.

Date Approved: July 26, 2022

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Randall Campbell, Board Secretary/Treasurer

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Recorded by Shane Hermetz, EVP/GM