

MINUTES OF REGULAR MEETING OF DIRECTORS

July 26, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, July 26, 2022, at the Headquarters facility. The meeting was called to order at 8:25 AM by President Hicks. Present for the meeting were:

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

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

Casey Twomey, Attorney
Jennifer Nugent, Staff
Brooke Guthman, Staff
Travis Deterding, Staff
Julie Loesing, Staff
Cheryl Bauersachs, Staff

Absent: Mary Jo Homan

MEMBER and GUEST COMMENTS: None

RECESS: The Board went into recess at 8:25 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:33 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 (\$2407.21) 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.

AIEC and SIPC REPORTS: Mr. Prest gave the AIEC report. He shared that there was no meeting for the current month and shared information regarding the 2022 AIEC annual meeting. Discussion followed. Mr. Liefer reported on activities of the SIPC Power Deliver committee. Mr. Pyatt reported on activities of the SIPC Power Production committee. Mr. Jarrett reported on the activities of the SIPC Administration and Finance committee. Mr. Hermetz shared information regarding the 2022 Strategic planning session, along with recent developments between Ameren and the ICC. 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 discussed the ongoing supply chain concerns for the electric industry and shared the status of key construction projects. He shared an update on forestry employees at EECA and the status of the EV charger deployment project. Mr. Austin closed by discussing recent copper theft at an EECA facility and discussing the electric rates at the neighboring investor-owned utility as compared to EECA rates. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. Mr. Swisher shared the status of the security camera upgrades at the office, along with security camera additions at electric substations. He 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, 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 an update on the capital credits process, a review of activities at the annual meeting, provided an updated status of the electric school bus projects, and provided a copy of the annual statewide survey questions that we will be asking members this year. 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 the current margin position and cash flow concerns. He shared data on the history of the power cost adjustment line. Total margin for June 2022 was negative (\$36,563.38) vs budget of \$951.93. Operating Revenue was \$3,475,133.69 up 2.93% from June last year at \$3,376,251.08. KWH sales were 27,294,738 up 1.95% from last June at 26,772,391. KWH purchases were 28,397,091 a decrease of 0.19% from June last year at 28,451,491. Variance of Major Costs from budget was Power Cost \$91,686.24 higher, Distribution Expense \$96,130.09 higher, Depreciation \$496.94 lower, Interest Expense \$11,077.41 lower, Customer Expenses \$15,880.44 lower, Sales Expense \$4,187.00 lower, and General and Administrative Expenses were \$86,207.47 lower. In closing, she discussed cash flow and margin for the month end and expectations for the remainder of the year. 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 2022 NRECA legal conference and provided an update on a theft of electric service case. 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 an update on the REDLG program, 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. 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 an additional two-tenths of one penny, equating to two dollars per one thousand kilowatt hours sold as a continuing effort to address ongoing inflationary concerns. Discussion followed. Upon a motion by Mr. Prest, seconded by Mr. Jarrett, the General Manager's report was approved.

OTHER BUSINESS:

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was unanimously agreed to **approve the minutes of the 2022 Cooperative Reorganization meeting held on the evening of July 14, 2022.**

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, August 30, 2022. There being no further business to come before the Board of Directors, the meeting was adjourned at 11:41 AM.

Date Approved: August 30, 2022

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM