

# MINUTES OF REGULAR MEETING OF DIRECTORS

August 30, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, August 30, 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  
Mary Jo Homan

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

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

Absent: N/A

**MEMBER and GUEST COMMENTS:** Mr. Travis Deterding, EECA Forestry and Safety manager, introduced the Cooperative's new forestry employees, Mr. Dylan McClerran and Mr. Tyler Hawk, to the Board of Directors. Mr. McClerran and Mr. Hawk left the meeting after a few brief comments.

Mr. Nick Reitz, Vice President of Government Relations for the Association of Illinois Electric Cooperatives, updated the Board of Directors on statewide legislative and regulatory issues that are relevant to electric cooperatives and the energy industry. Discussion followed. Mr. Reitz left the meeting at 10:20 AM.

**RECESS:** The Board went into recess at 8:47 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:49 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 (\$6483.96) 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. Pyatt, motion carried.

**AIEC and SIPC REPORTS:** Mr. Prest gave the AIEC report. He shared information regarding the 2022 AIEC annual meeting and provided an update for the yearly safety and training calendar. Discussion followed. Mr. Liefer reported on activities of the SIPC Power Delivery 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 increasing pressures on electricity pricing and provided an update to the SIPC cost of service and rate studies. He discussed the forward trends on electricity prices and the fuels market and briefly discussed the SIPC portfolio and the challenges SIPC will face over the coming years. Discussion followed.

**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 examples of changes in material quality in the supply chain. Mr. Austin updated the Board on supply chain concerns in the automotive/fleet area and how the Cooperative continues to adapt to the challenge of limited vehicle availability. Mr. Austin closed by providing updates on the electric vehicle charging and electric school bus projects. Discussion followed.

**IT REPORT:** Mr. Swisher presented the IT report. Mr. Swisher shared 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. Mr. Austin, Mrs. Nugent, and Mr. Pontow shared an update on the development of the Time of Use rate project. 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, provided an updated status of the electric school bus projects, and an update on the annual statewide survey. 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 shared that total margin for July 2022 was \$170,675.59 vs budget of \$165,831.12. Operating Revenue was \$3,909,852.43 up 9.83% from July last year at \$3,559,900.08. KWH sales were 30,688,383 up 7.89% from last July at 28,444,628. KWH purchases were 32,060,770 an increase of 8.33% from July last year at 29,594,449. Variance of Major Costs from budget was Power Cost \$293,445.29 higher, Distribution Expense \$76,779.82 higher, Depreciation \$419.11 lower, Interest Expense \$7,872.06 lower, Customer Expenses \$16,593.38 lower, Sales Expense \$3,733.08 lower, and General and Administrative Expenses were \$69,970.64 lower. In closing, she discussed shared the 2021 Key Ratio Trend Analysis (KRTA) data provided by our banking cooperative, CFC. Discussion followed.

**LEGAL REPORT:** Attorney Casey Twomey reported that the legal team will share updates on legal matters in Executive session.

**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 reviewed a few additional KRTA trends with the Board. He discussed the effects of inflation on the Cooperative finances, provided an update on the pandemic response plan, provided updates regarding the ongoing efforts by others to extend Broadband service in Jackson County, and provided updates regarding the Jackson County LEAP grant. Discussion followed. He closed his presentation by discussing vehicle fleet concerns and the opportunity to acquire a new service bucket truck this calendar year. Discussion followed.

**OTHER BUSINESS:**

Upon a motion by Mr. Liefer, seconded by Mr. Campbell, and a vote taken thereon, it was **decided by majority vote to accept the reports shared with the Board.**

Upon a motion by Mr. Campbell, seconded by Mr. Bame, and a vote taken thereon, it was decided by majority vote to **add \$180,000 to the FY2022 budget for the purpose of purchasing a small bucket truck for the construction department.**

**EXECUTIVE SESSION:** The Board of Directors entered Executive Session at 11:33 AM to discuss legal matters of the Cooperative. Upon a motion by Mr. Campbell and seconded by Mr. Jarret, and by a vote thereof, the Board exited Executive Session at 11:54AM.

**MEETINGS:** The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, September 27, 2022. There being no further business to come before the Board of Directors, upon a motion and a second, and a vote taken thereof, the meeting was adjourned at 11:55 AM.

Date Approved: September 27, 2022

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Randall Campbell, Board Secretary/Treasurer

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Recorded by Shane Hermetz, EVP/GM