

MINUTES OF REGULAR MEETING OF DIRECTORS

October 25, 2022

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

Paul Hicks, President
Kevin Liefer, Vice President
Randall Campbell, Sec.-Treasurer Staff
Mary Jo Homan
Rick Asaturian
Paul Pyatt
Ken Jarrett
Steve Prest (virtual attendee)

Shane Hermetz, GM/EVP
Brad Austin, Staff
Brooke Guthman
Jennifer Nugent, Staff
Dennis Luehr, Staff
Jeremy Thies, Staff

Elisha Sanders, Attorney
Bart Swisher
Cheryl Bauersachs
Julie Loesing, Staff
Travis Deterding, Staff

Absent: Kevin Bame

MEMBER and GUEST COMMENTS: No guests or members were in attendance.

RECESS: The Board went into recess at 8:28 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:32 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 (\$9061.01) 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 Mrs. Homan and seconded by Mr. Pyatt, motion carried.

AIEC and SIPC REPORTS: Mr. Prest gave the AIEC report. He shared information regarding the AIEC lineman's rodeo and the success that the EECA team had and also shared info presented by the generation cooperative located in Springfield, Prairie Power. Discussion followed. Mr. Hermetz gave the Power Delivery report, Mr. Pyatt gave the Power Production report, and Mr. Jarrett gave the Administrative/Finance report. Discussion followed. Mr. Hermetz summarized the reports by stating the SIPC is working toward finalizing a new wholesale power contract for the EECA Board to review and consider. He also discussed information regarding increasing pressures on electricity pricing and provided an update to the SIPC cost of service and rate studies. Discussion followed.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. Mr. Austin updated the Board on new and ongoing construction projects, he discussed the ongoing supply chain concerns for the electric industry and provided an update on electric vehicles in our service area. Discussion followed. Mr. Deterding presented an update on forestry and right of way clearing for the year and provided an update on safety training. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. Mr. Swisher presented information regarding our recent cyber event. He shared information regarding malware and ransomware and the ongoing efforts to protect cooperative information. 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 discussed the recent Key Accounts meeting, provided an update on the classroom grant program, shared an update on all open REDLG projects, shared information regarding the membership satisfaction survey, and discussed recent training regarding electric live line and physical security. Discussion followed.

FINANCIAL REPORT: Mrs. Bauersachs presented the Human Resources and Finance Report. She shared that Total margin for September 2022 was (\$115,282.08) vs budget of \$123,773.91. Operating Revenue was

\$3,131,241.91 down 2.76% from September last year at \$3,220,190.73. KWH sales were 23,342,825 down 8.23% from last September at 25,437,416. KWH purchases were 24,285,435 a decrease of 3.0% from September last year at 25,036,344. Variance of Major Costs from budget was Power Cost \$149,843.97 higher, Distribution Expense \$79,283.47 higher, Depreciation \$1,173.45 lower, Interest Expense \$95.34 lower, Customer Expenses \$13,797.77 lower, Sales Expense \$1,964.73 higher, and General and Administrative Expenses were \$33,440.00 lower. Discussion followed. Mrs. Bauersachs also presented the FY2023 cooperative budget. She presented the FY2023 budget income statement, a summary and a detailed explanation of all planned expenditures/projects within the FY2023 budget and proved comparative information from FY2022. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders reported on legal counsel involvement in the recent cyber event. 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 reviewed the FY2023 Income Statement, the FY2023 Budget projects, and discussed the increasing costs of electric power supply. Discussion followed. He also discussed the recent cyber event and shared information and analysis on the recent membership satisfaction survey. Discussion followed.

OTHER BUSINESS:

Upon a motion by Mr. Liefer, seconded by Mr. Asaturian, and a vote taken thereon, it was decided by majority vote **to accept the Cooperative department and manager reports.**

Upon a motion by Mr. Campbell, seconded by Mrs. Homan, and a vote taken thereon, it was decided by majority vote **to appoint Kevin Liefer as the delegate and Shane Hermetz as the alternate to the 2022 Illinois Cooperative Workers Comp Group Annual meeting in December.**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was decided by majority vote **to adopt the FY2023 Budget as presented.**

Upon a motion by Mr. Pyatt, seconded by Mr. Campbell, and a vote taken thereon, it was decided by majority vote **to reschedule the 2022 Strategic Planning session scheduled for November 15 to a date to determined as soon as possible.**

EXECUTIVE SESSION: The Board entered executive session at 10:51 AM to discuss the Board's self-evaluation process and to discuss the General Manager's annual performance. They returned to regular session at 11:36 PM.

Upon a motion and a second, and a vote taken thereof, it was agreed to add \$20,000 per year to the salary of the Executive Vice President/General Manager.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, November 29, 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 11:38 AM.

Date Approved: November 29, 2022

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM