

MINUTES OF REGULAR MEETING OF DIRECTORS
December 20, 2022

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, December 20, 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	Shane Hermetz, GM/EVP	Elisha Sanders, Attorney
Randall Campbell, Sec.-Treasurer	Brooke Guthman	Brad Austin
Mary Jo Homan	Bart Swisher	Cheryl Bauersachs
Paul Pyatt	Jennifer Nugent	Julie Loesing
Ken Jarrett	Dennis Luehr	Travis Deterding
Steve Prest	Jeremy Thies	Cindy Krisby
Kevin Bame	Art Pontow	

Absent: Kevin Liefer, Vice President, Rick Asaturian

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

RECESS: The Board went into recess at 8:27 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:38 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 (\$3359.23) for the month, 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. Campbell and seconded by Mr. Pyatt, motion carried.

AIEC and SIPC REPORTS: Mr. Prest gave the AIEC report. He shared information regarding the new AIEC CFO and upcoming changes to the ACRE program. Discussion followed. Mr. Hermetz gave the Power Delivery report, where he discussed budgeted construction projects at SIPC. Mr. Pyatt gave the Power Production report, discussing the increasing costs of coal and carbon, and Mr. Jarrett gave the Administrative/Finance report, updating the Board on the increasing costs at SIPC. Discussion followed. Mr. Hermetz summarized the reports and discussed the SIPC wholesale power contract, SIPC rate schedule A, the SIPC economic development rider, and the SIPC load modifying resource program. Discussion followed.

ENGINEERING\OPERATIONS REPORT: Mr. Austin presented the Engineering and Operations Report. Mr. Austin updated the Board on new and ongoing construction projects, including Walkers Bluff, and Pinckneyville hospital. He discussed the ongoing supply chain concerns for the electric industry and provided an update on electric vehicles in our service area. Mr. Austin shared possible changes to line extension policy 506 to allow structured payments. Discussion followed. Mr. Deterding updated the board on employee safety and Mr. Thies updated the board on project construction. Discussion followed.

IT REPORT: Mr. Swisher presented the IT report. Mr. Swisher presented information on the deployment of cyber endpoint protection software on all workstations. Discussion followed. He shared information regarding facility and substations security. 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 classroom grant awards for 2023, the status of the Pinckneyville franchise, and shared a breakdown of the 2022 membership satisfaction survey. Discussion followed.

FINANCIAL REPORT: Mrs. Bauersachs presented the Human Resources and Finance Report. She shared that total margin for November 2022 was \$109,269.82 vs budget of (\$35,622.24). Operating Revenue was \$3,561,081.57 up 6.62% from November last year at \$3,339,868.37. KWH sales were 26,008,959 down 0.18% from last November at 26,054,903. KWH purchases were 27,238,339 an increase of 0.2% from November last year at 27,183,710. Variance of Major Costs from budget was Power Cost \$244,034.83 higher, Distribution Expense \$49,847.83 higher, Depreciation \$3,070.95 lower, Interest Expense \$2,848.37 lower, Customer Expenses \$9,218.55 lower, Sales Expense \$3,402.41 lower, and General and Administrative Expenses were \$30,853.51 lower. Discussion followed. Mrs. Bauersachs discussed interest rates, the current cost to borrow money, and the cooperative's cash position. She discussed upcoming employee retirements and thanked Mr. Pontow and Mr. Luehr for their years of dedicated service to the membership of EECA. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders reported that there were no new developments from legal and that the legal team would start work on the questions presented at the meeting regarding proposed changes to policy 506. 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 increasing costs of electricity from SIPC and the management plan to address the increasing costs. He presented all EECA rate schedules in draft form, indicating proposed changes for 2023. Discussion followed. He provided a pandemic plan update, discussed the ACRE program, and facility security. He closed by sharing information regarding EECA strategic partner, CRC. Discussion followed.

OTHER BUSINESS:

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was decided by majority vote **to allow the General Manager to execute paperwork associated with the SIPC wholesale power contract, waiving the time notice associated with the expected rate adjustment effective January 2023.**

EXECUTIVE SESSION: N/A

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, January 31, 2023. 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 11:51 AM.

Date Approved: January 31, 2023

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM