

MINUTES OF REGULAR MEETING OF DIRECTORS January 31, 2023

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, January 31, 2023, 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	Shane Hermetz, GM/EVP	Elisha Sanders, Attorney
Kevin Liefer, Vice President	Brooke Guthman	Casey Twomey, Attorney
Randall Campbell, Sec.-Treasurer	Bart Swisher	Julie Loesing
Mary Jo Homan	Jennifer Nugent	Cindy Krisby
Paul Pyatt	Jeremy Thies	
Ken Jarrett (remote connection)	Brad Austin	
Steve Prest		
Kevin Bame		
Rick Asaturian		

Absent:

RECESS: The Board went into recess at 8:26 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:29 AM.

EXECUTIVE SESSION: The Board of Directors entered into executive session at 8:33 AM to discuss legal matters and returned from executive session at 8:58 AM.

MEMBER and GUEST COMMENTS: Mr. Craig Sondgeroth – AIEC President/CEO entered the meeting at 9AM. He introduced himself to the Board and discussed recent activities and the Association of IL Electric Cooperatives (AIEC). Discussion followed. Mr. Sondgeroth exited the meeting at 10:30AM.

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 (\$6996.50) 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. Prest and seconded by Mr. Liefer, motion carried.

AIEC and SIPC REPORTS: Mr. Prest gave the AIEC report. He shared information on the upcoming legislative day in Springfield and shared information regarding the AIEC annual meeting, planned for August 2023. Discussion followed. Mr. Liefer gave the Power Delivery report, where he discussed the recent winter storm and how it impacted SIPC, discussion followed. Mr. Pyatt gave the Power Production report, discussing the increasing costs of coal and carbon, and the decreasing local supply of each fuel, and Mr. Hermetz gave the Administrative/Finance report, updating the Board on the increasing costs at SIPC. Discussion followed. Mr. Hermetz summarized the reports and discussed the recent winter storm, along with providing an update on 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, provided an update to supply chain concerns, and provided an update on system interconnections and electric vehicles. He closed his presentation by sharing the 2022 system reliability report. 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 Pinckneyville franchise agreement, the upcoming area member meetings 'Coffee with the Cooperative', and shared an update on front office projects to modernize member forms and ways to streamline the retirement of capital credits. Discussion followed.

FINANCIAL REPORT: Mr. Hermetz presented the Human Resources and Finance Report. He shared that total margin for December 2022 was \$51,994.53 vs budget of \$156,555.14. Operating Revenue was \$4,431,473.88 up 31.8% from December last year at \$3,362,409.15. KWH sales were 33,659,636 up 27.4% from last December at 26,422,076. KWH purchases were 35,374,275 an increase of 27.4% from December last year at 27,770,661. Variance of Major Costs from budget was Power Cost \$583,135.17 higher, Distribution Expense \$48,449.07 higher, Depreciation \$2,105.07 lower, Interest Expense \$6,964.05 higher, Customer Expenses \$69,845.05 lower, Sales Expense \$13,551.00 higher, and General and Administrative Expenses were \$16,684.67 higher. Mr. Hermetz discussed employee retirements and provided a brief review of the year end cooperative finances. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders and Attorney Casey Twomey reviewed Board policies 220-Ethics, 401-Director qualifications, and 402-Board Function. They discussed the need to disclose any known conflicts of interest and reviewed the annual conflict disclosure forms. 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 multiple policy revisions for review at a future date, discussed dates for 2023 strategic planning, provided a pandemic plan update, discussed the ACRE program, facility security, and provided an example of proposed rate changes and their impact on the average residential member. Discussion followed.

OTHER BUSINESS:

Upon a motion by Mr. Pyatt, seconded by Mr. Bame, and a vote taken thereon, it was unanimously agreed upon to **authorize the General manager to engage with Southern IL Power Cooperative (SIPC) regarding its A-1 economic development rider for certain loads at EECA.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **authorize all Directors to attend the 2023 SIPC Annual meeting on March 30, 2023.**

Upon a motion by Mr. Asaturian, seconded by Mr. Prest, and a vote taken thereon, it was unanimously approved to **confirm Kevin Liefer, Paul Pyatt, Ken Jarrett, and Shane Hermetz as SIPC Directors for 2023.**

Upon a motion by Mr. Campbell, seconded by Mr. Pyatt, and a vote taken thereon, it was unanimously agreed upon to **accept the recommendations of the Egyptian Electric Charitable Fund NFP Board to award two grants in Q4 of 2022, a one thousand five-hundred-dollar (\$1500) grant to Giant City Schools and a one thousand five-hundred-dollar (\$1500) grant to 724 Ministries.**

Upon a motion by Mr. Bame, seconded by Mr. Jarrett, and a vote taken thereon, it was unanimously agreed **to amend rate schedule A, rate schedule A-1, rate schedule A-2, rate schedule B, rate schedule C, rate schedule EV-1, rate schedule EV-3, rate schedule LP-1, rate schedule LP-2, rate schedule LP-3, rate schedule L, and rate schedule P, as presented.**

Upon a motion by Mr. Campbell, seconded by Mr. Liefer, and a vote taken thereon, it was unanimously agreed **to approve a Franchise agreement with the city of Pinckneyville.**

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, February 28,2023. 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 12:12 PM.

Date Approved: February 28, 2023

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM