

MINUTES OF REGULAR MEETING OF DIRECTORS

March 28, 2023

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, March 28, 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	Cindy Krisby
Randall Campbell, Sec.-Treasurer	Bart Swisher	Julie Loesing
Mary Jo Homan	Jennifer Nugent	
Paul Pyatt	Brad Austin	
Ken Jarrett		
Steve Prest		
Kevin Bame		
Rick Asaturian		

Absent: NONE

MEMBER and GUEST COMMENTS: Ms. Anna Guetersloh of Kerber Eck & Braeckel (KEB) was in attendance. Ms. Guetersloh presented the 2022 Audit. Ms. Guetersloh left the meeting at 8:42 AM.

RECESS: The Board went into recess at 8:43 AM to allow the Egyptian Electric Charitable Fund, NFP Board to hold their meeting. The Board returned from recess at 8:57 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 (\$2925.83) 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. Liefer and seconded by Mrs. Homan, motion carried.

AIEC and SIPC REPORTS: Mr. Prest gave the AIEC report. He shared information on the upcoming legislative day in Springfield, gave a brief regulatory/legislative update, and discussed upcoming continuing education opportunities. Discussion followed. Mr. Liefer 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 and discussed the 2023 SIPC annual meeting. 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, provided an update on system interconnections and electric vehicles, discussed multiple new projects that the engineering department is working on, discussed the NRECA tech conference that was held in March, and he discussed possible changes to the line extension policy. Discussion followed. Mr. Austin also updated the Board on recent fleet acquisitions and provided information on the proposed purchase of two additional fleet vehicles. 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 recent area member meeting 'Coffee with the Cooperative', she shared the location of the next 'Coffee' meeting, shared an update that the digitization of membership records is complete and provided an update on other front office projects to modernize member forms,

discussed the relocation of one of the Cooperatives' payment kiosks, and discussed the retirement of capital credits. Discussion followed.

FINANCIAL REPORT: Mrs. Guthman presented the Human Resources and Finance Report. She shared a recap for the monthly finances, reporting that total margin for February 2023 was \$57,870.60 vs budget of \$115,784.99. Operating Revenue was \$3,705,452.68, down 4.9% from February last year at \$3,896,228.69. KWH sales were 26,141,724, down 17.0% from last February at 31,488,664. KWH purchases were 27,232,105, a decrease of 17.3% from February last year at 32,913,266. Variance of Major Costs from budget was Power Cost \$393,588.71 lower, Distribution Expense \$73,805.53 lower, Depreciation \$7,742.02 lower, Interest Expense \$41,410.99 higher, Customer Expenses \$5,801.65 lower, Sales Expense \$5,156.82 lower, and General and Administrative Expenses were \$21,534.52 lower. Mrs. Guthman also discussed cash flow and the effort to keep members informed of rate changes. Mr. Hermetz added that next month the discussion of capital credit retirement for 2023 will be a part of the agenda. Discussion followed.

LEGAL REPORT: Attorney Elisha Sanders discussed the proposed documents pertaining to the economic development rider for a key account and discussed working with the engineering department on an aid to construction contract with another key account. 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 presented two policy revisions for board consideration, discussed Southern Services LLC, discussed the Prairie State Generating Campus, discussed the upcoming nominating committee meeting, and upcoming continuing education opportunities. Discussion followed.

OTHER BUSINESS:

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was agreed upon by majority vote **to approve the KEB audit report for the year ended December 31, 2022** as presented by Ms. Anna Guetersloh. In her opinion, the financial statements present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2022. **KEB issued an unmodified opinion.**

Upon a motion by Mr. Bame, seconded by Mr. Liefer, and a vote taken thereon, it was agreed upon by majority vote **to amend board policy 108 – Capital Credits.**

Upon a motion by Mr. Prest, seconded by Mr. Jarrett, and a vote taken thereon, it was agreed upon by majority vote to amend **board policy 114 – Insufficient Funds.**

Upon a motion by Mr. Campbell, seconded by Mr. Bame, and a vote taken thereon, it was agreed upon by majority vote **to approve Rider 1, Economic Development Rider, along with the required contract for electric service.**

Upon a motion by Mr. Bame, seconded by Mr. Liefer, and a vote taken thereon, it was agreed upon by majority vote **to approve cooperative budget amendment 1, adding \$50,000 to the FY2023 budget for the purchase of fleet vehicles.**

Upon a motion by Mr. Liefer, seconded by Mr. Campbell, and a vote taken thereon, it was agreed upon by majority vote **to support the effort to dissolve the cooperative subsidiary known as Southern Services, LLC.**

Upon a motion by Mr. Pyatt, seconded by Mrs. Homan, and a vote taken thereon, it was unanimously agreed upon **to accept the recommendations of the Egyptian Electric Chartable Fund NFP Board to award two grants in Q1 of 2023, a one thousand dollar (\$1000) grant to Toys for Tots and a one thousand dollar (\$1000) grant to Hopewell Missionary Baptist Church.**

EXECUTIVE SESSION: The Board of Directors entered into executive session at 11:36 AM to discuss legal matters concerning the Cooperative and returned from executive session at 12:35 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, April 25, 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 12:36 PM.

Date Approved: April 25, 2023

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM