

MINUTES OF REGULAR MEETING OF DIRECTORS February 28, 2023

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, February 28, 2023, at the Headquarters facility. The meeting was called to order at 8:27 AM by President Hicks. Present for the meeting were:

Paul Hicks, President
Kevin Liefer, Vice President
Randall Campbell, Sec.-Treasurer
Mary Jo Homan
Paul Pyatt
Ken Jarrett
Steve Prest
Kevin Bame
Rick Asaturian

Shane Hermetz, GM/EVP
Brooke Guthman
Bart Swisher
Jennifer Nugent
Jeremy Thies
Brad Austin

Casey Twomey, Attorney
Cheryl Bauersachs
Julie Loesing
Cindy Krisby
Travis Deterding

Absent: NONE

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 8:31 AM.

MEMBER and GUEST COMMENTS: Mr. Donald Gulley – SIPC President/CEO entered the meeting at 10:30 AM. He introduced himself to the Board and discussed activities at Southern Illinois Power Cooperative (SIPC). Discussion followed. Mr. Gulley remained in the room until the end of the meeting.

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 (\$3,762.87) 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. Jarrett 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, discussed employee additions at AIEC, and discussed upcoming continuing education opportunities. Discussion followed. Mr. Liefer gave the Power Delivery report, where he discussed upcoming projects, 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. 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 recent capital credit allocation from SIPC. 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 the new engineering planning/modeling tool, and provided an update on system interconnections and electric vehicles. Mr. Deterding discussed activities related to forestry and safety training while Mr. Thies gave an update to current construction projects. 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. He also discussed the addition of security cameras at various locations. 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 on front office projects to modernize member forms, shared statistics on kiosk usage, and discussed the recent training event at the Murphysboro high school driver education classes. Discussion followed.

FINANCIAL REPORT: Mrs. Bauersachs presented the Human Resources and Finance Report. She shared with the Board a recap of the 2022 finances. She also shared a recap for the monthly finances, reporting that the total margin for January 2023 was \$229,930.82 vs budget of \$465,807.23. Operating Revenue was \$4,189,574.46 down 7.7% from January last year at \$4,540,397.06. KWH sales were 30,925,629 down 17.8% from last January at 37,610,660. KWH purchases were 32,354,191 a decrease of 18% from January last year at 39,454,905. Variance of Major Costs from budget was Power Cost \$494,350.64 lower, Distribution Expense \$9,461.08 higher, Depreciation \$7,082.48 lower, Interest Expense \$2,338.45 higher, Customer Expenses \$3,707.27 lower, Sales Expense \$5,239.58 lower, and General and Administrative Expenses were \$4,382.98 higher. Mrs. Bauersachs closed by discussing the upcoming audit. Discussion followed.

LEGAL REPORT: Attorney Casey Twomey reviewed proposed documents pertaining to economic development rider for a new 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 reviewed the increasing costs of electricity from SIPC and the management plan to address the increasing costs. He presented two policy revisions for board consideration and reviewed proposed modifications to current electric rate structures. Discussion followed. He also discussed the upcoming strategic planning event, 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 engage Kerber, Eck, & Braeckel LLP to perform the 2022 financial audit.**

Upon a motion by Mr. Campbell, seconded by Mr. Jarrett, and a vote taken thereon, it was agreed upon by majority vote **to set the 2023 EECA Strategic Planning meeting for Tuesday, November 7th, 8:30 AM.**

Upon a motion by Mr. Pyatt, seconded by Mr. Bame, and a vote taken thereon, it was agreed upon by majority vote to amend **board policy 227 – Exec VP/GM duties and to amend board policy 411 – Credential Committee, as presented.**

Upon a motion by Mr. Liefer, seconded by Mr. Pyatt, and a vote taken thereon, it was agreed upon by majority vote **to name General Manager, Shane Hermetz the EECA voting delegate at the CRC, CFC, and Federated Insurance annual meetings to be held in June 2023.**

Upon a motion by Mr. Campbell, seconded by Mr. Prest, and a vote taken thereon, it was agreed upon by majority vote **to name Director Paul Hicks the voting delegate and Director Kevin Liefer the Alternate Delegate for the AIEC Annual meeting in August 2023.**

Upon a motion by Mr. Asaturian, seconded by Mr. Prest, and a vote taken thereon, it was agreed upon by majority vote 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, and rate schedule LP-3, as presented.

EXECUTIVE SESSION: The Board of Directors entered into executive session at 12:14 PM to discuss contract matters concerning the Cooperative and returned from executive session at 12:36 PM.

MEETINGS: The next scheduled Board of Directors meeting will be held at the EECA Headquarters office beginning at 8:30AM on Tuesday, March 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 12:37 PM.

Date Approved: March 28, 2023

Randall Campbell, Board Secretary/Treasurer

Recorded by Shane Hermetz, EVP/GM