

MINUTES OF REGULAR MEETING OF DIRECTORS
September 28, 2010

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, September 28, 2010, at Walkers Bluff in Carbondale. The meeting was called to order at 8:30 a.m. with the President and Secretary present. The minutes of the regular board meeting on August 31, 2010, were approved as presented by general consent.

Present for the **September 28, 2010**, meeting:

Paul Pyatt, President	Larry Ebers	James Riddle, EVP/GM
Raymond Mulholland, Vice President	Allen Haake	Brenda Rapp, Staff
Kevin Liefer, Sec-Treas	Paul Hicks	M. Shane Hermetz, Engr. Mgr
Randall Campbell	Gilbert Kroening	William Broom, Attorney
		Art Pontow, Staff

Ken Jarrett, absent

WALKERS BLUFF PRESENTATION: (Scot Alms and Brooke Guthman were present during this time only) A representative (Austin) from the Walkers Bluff enterprise gave the group a synopsis of past, present, and future plans. Since we supply the electricity for the property, we gained foresight as to the electrical needs for their anticipated expansion.

CHECKS/TREASURER'S REPORT: On motion of Mr. Hicks, seconded by Mr. Kroening, the list of checks written for the month of August was approved as presented. Motion carried. On motion of Mr. Mulholland, seconded by Mr. Haake, the treasurer's report was approved as presented. Motion carried. There were no capital credit refunds this month.

AIEC AND SIPC REPORTS: There was no AIEC meeting in September due to the NRECA Regional meeting. The SIPC reports were given by Mr. Haake, Mr. Liefer, Mr. Mulholland and Mr. Riddle. On motion of Mr. Hicks, seconded by Mr. Kroening, the SIPC reports were approved. Motion carried.

SAFETY REPORT: The AIEC did field audits, as well as held classes this past month on back safety, accident prevention, adult CPR, A.E.D. and first aid for the inside employees. **ACCIDENTS:** There were no accidents in August.

OUTAGE REPORT: The outage report was reviewed.

MAJOR CAPITAL PROJECTS: We made a down payment and have a signed contract with the Butcher family for 2 acres near SI Airport to build a new substation. Closing is contingent upon the city of Carbondale granting a special use permit. We should know by mid-November. We have the lease agreement for the airport property as a back up plan. There is a clause for 180-day notice to terminate the lease. Mr. Haake made a motion, seconded by Mr. Campbell, to proceed with the lease agreement at a cost of \$600/year. Having both properties ensures our moving forward with the substation as soon as practical. The SIU TEC at the Airport anticipates having classes in the fall of 2011. Construction was delayed on the North circuit out of Carterville Substation, but plans are to start next week. The 51 service points at the Villas of Carbondale on New Era Road should be completed next week. The grounding grid at the Lenzburg Substation is being upgraded/expanded to meet current code. We are extending approximately 1.25 miles of three-phase line to the Cave at Walkers Bluff. There is nothing new to report on the Pinckneyville Hospital or the WSC Wind project. About 90% of the materials originally purchased for the Waterside project are being used at the airport and the Carterville projects. There may be territorial dispute regarding service on Cutler-Trico Road. We served the coal mine back in 1984 and still have lines on the property. We also own the transmission line that runs along the property; therefore, we do plan to provide service to Central States Resources. Replacing the email server was discussed; however, we are still waiting on a reply/quote from Egyptian Telephone before making a final decision.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report along with the August operating report. We had margins of \$289,955 in August, thus running YTD margins of \$1,819,439. Our kWh sales are up 8.4% over last year; the average cost per kWh is down .6% because the power cost adjustment is down. The number of new services is still running higher than last year. Our equity is at 59.56% as of August 31. We plan to take advantage of Ameren's 15% rebate for changing out light bulbs, ballasts, and/or fixtures to more energy efficient models. Beginning January 1, 2011, the administrative fees for the NRECA 401K will be a separate billed item and will be showing up as a budget item. On a motion of Mr. Campbell, seconded by Mr. Kroening, the manager's report was approved. Motion carried.

EECA/STAFF GOALS: All the goals for 2010 have been completed as of August 31, 2010. The list of 2011 EECA/Staff goals were presented to the board. After discussion, Mr. Hicks made a motion, seconded by Mr. Kroening, to accept the EECA and Staff goals for 2011 as presented. Motion carried. See attached list.

MINUTES ON WEBSITE: After discussion, Mr. Hicks made a motion, seconded by Mr. Haake, that the full minutes of each regular board meeting will be placed on the website after approval at the next month's meeting. Motion carried.

UNION CONTRACT: Management recommended that both inside and outside groups work under the same terms as negotiated under the multi-employer collective bargaining agreement. After discussion, Mr. Liefer made a motion, seconded by Mr. Haake, to accept EECA management's recommendation that the inside contract approved at the July board meeting be revoked and the terms of the multi-employer contract be bestowed on the inside union personnel, contingent upon approval of the multi-employer agreement by the four cooperatives. Motion carried. SEIEC votes today. SIPC votes on Thursday. Anyone of the four co-ops is bound by the vote of the other three.

SMALL CLAIMS SUIT: A member of EECA filed a small claims suit in Williamson County against EECA and Big D Right-of-Way Services for destroying firewood. EECA (Attorney Broom) has tendered the defense of this case to Big D and their attorney has accepted. He will indemnify EECA with anything they do.

MURPHYSBORO CULVERT: Four contractors submitted bids for installing a culvert at Murphysboro, just east of the office building. Mr. Liefer made a motion, seconded by Mr. Mulholland, to make a budget amendment and move money from the L.U.S.T. fund to do the culvert work and accept the low bid of \$7,223 for concrete from Edwards Excavating. Motion carried.

FAS106: The FAS106 Liability Revaluation is a \$3500 expense item in the 2010 budget. With the upcoming change for post retirement medical benefits for union employees, our liability could decrease. Mr. Haake made a motion, seconded by Mr. Ebers, to have the firm of Dreyer & Kelso do the FAS106 study at a cost of \$3650. Motion carried.

EGYPTIAN WATER: To date, we have not yet received final approval from USDA Rural Development.

POLICY 107: Mr. Haake made a motion, seconded by Mr. Campbell, to revise Policy 107-Member Access to Cooperative Information as presented. Motion carried. (See attachment)

At 12:00 p.m. the board recessed for lunch.

Upon reconvening at 12:45 p.m., the board went into executive session to discuss personnel issues. Upon reconvening into regular session,

STAFF SALARIES: Upon the Manager's recommendation, Mr. Haake made the motion, seconded by Mr. Campbell, to accept the manager's recommendations for staff salary increases, retroactive to July 1, 2010. Motion carried.

NON-UNION MEDICAL: Mr. Mulholland made a motion, seconded by Mr. Ebers, to provide NRECA's High Deductible Health Plan to non-union active employees under 65. Motion carried. The current PPO plan will remain in force for non-union retirees. All eligible classes of the 001 group may enroll in either plan. The co-op's portion of the premium for active 001 employees will be the same \$ amount for either plan. The premium split is 75/25 for HDHP plan with HSA contributions for a family or individual plan. Should an active employee choose the PPO plan, the \$\$ amount contributed by the co-op to the premium will be 75% of the HDHP premium plus the HSA contribution; thus the employee will be responsible for the balance of the premium.

JULY MINUTES AMENDMENT: The minutes of the July board meeting shall be amended to include the action taken during executive session at the July board meeting regarding the EVP/GM's salary adjustment.

MANAGER'S SALARY: After discussion, Mr. Pyatt made a motion, seconded by Mr. Hicks, to increase the salary of James B. Riddle, Executive Vice-President/General Manager, as discussed, effective July 1, 2010. Motion carried.

There being no further business to come before the Board of Directors, the meeting was adjourned at 1:23 p.m.

Date Approved: 10-26-2010

Kevin L. Liefer, Secretary

Recorded by *Brenda K. Rapp,*

2011 EGYPTIAN ELECTRIC COOPERATIVE GOALS

_____ **2011 UPDATE** (all new information is in **BOLD type**) (*Completed items in italics & highlighted*)

1. Prepare a balanced operational budget for 2011
2. Complete review and offer alternatives for revision of EECA Bylaws
3. Organize, coordinate and conduct two area meeting of members
4. Right of way control work on 3-4 substations and get EECA on a 4-5year trim cycle (year 2 of plan)
5. Participate in staff development offerings where it will improve efficiencies –THIS IS A PERPETUAL GOAL
6. Offer options for Board Self Assessment surveys
7. Offer a Board policy on attainment of Board CCD and Leadership Certificates
8. Rebalance Maintenance Lineman service areas workloads
9. Rebalance supervisors workloads
10. Communicate and implement any changes in member rates / rate structure
11. Complete construction and energize new SI Airport substation and electric circuits
12. Complete construction and energize new Carterville north circuit
13. Continue wellness program for those covered by NRECA medical insurance
14. Evaluation and recommendations for EECA phone system
15. Complete deployment of AMR equipment (possible exception is St. Mary's Island)

**EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
POLICY BULLETIN NO. 107**

SUBJECT: MEMBER ACCESS TO COOPERATIVE INFORMATION

I. OBJECTIVES

- A. To establish the type of information routinely available to members without restriction or condition, the types of information only made available upon proper written request of a member and the type of information which must, in the best interest of the Cooperative, be maintained as confidential information and therefore may not be made available to members.
- B. To establish the rules and procedures to be followed in response to request from members for cooperative information.

II. POLICY

The Board of Directors of the Cooperative shall strive to keep the Cooperative's members adequately informed about the Cooperative's operations and financial condition. To this end, the Cooperative shall through its newsletter and reports at its annual meeting, routinely make available such information.

- A. In furtherance of this objective, the Cooperative shall, without charge, provide copies of the following information upon such member's oral request:
 - 1. The Cooperative's articles of incorporation, bylaws, rates, charges, and service rules and regulations;
 - 2. Any publications the Cooperative may have for general distribution relating to the efficient or safe use of electric energy, the Cooperative's energy use and conservation programs, and the like;
 - 3. Year end operating and other financial reports, for the Cooperative's previous three fiscal years that are regularly made to the Rural Utilities Service and/or the National Rural Utilities Cooperative Finance Corporation;
 - 4. The minutes of any prior member meeting.
 - 5. The Cooperative's IRS Form 990.
 - 6. The Cooperative's Policy Bulletins.

- B. Subject to the conditions and limitations set forth below, copies of the following information will be provided to, any member upon such member's written request on the form attached:
1. The minutes of any prior meeting of the Board of Directors;
 2. Adopted work plans for the Cooperative's future construction, operation and maintenance of its general plant and electric system;
 3. Adopted budgets for current and future operations and capital improvements;
 4. Monthly or other periodic or special operating and financial reports submitted by management to the Board of Directors;
 5. Formal audit reports rendered periodically by independent auditors; and
 6. Other Cooperative information relevant to a member's interest.
- C. Copies may not be provided of the information listed in paragraph II.B. above, if such request is for an unlawful purpose or:
1. The member fails or refuses to complete, sign and submit the attached Request for Information Form and to make the warranties and representations set forth therein;
 2. If the request is for a purpose that is not reasonably related to the business of the Cooperative;
 3. If the request is for a dishonest purpose, is inimical to the lawful interest of the Cooperative, or is for a purpose not reasonably germane to the interest of the member;
 4. If the member refuses to execute an agreement restricting his use of such information in such lawful manner as is necessary to protect the legitimate interest of the Cooperative, its members or employees;
 5. If the information sought is of such a nature that if disclosed such disclosure would:
 - a. Violate a person's right to privacy, violate any agreement with third parties with respect to trade secrets, or adversely affect the Cooperative in its negotiations with third parties.

- b. Adversely affect the Cooperative unduly out of proportion to the possible competing interest of the member seeking to examine such information.
 - c. Violate the privilege of confidential communication between the Cooperative and its attorney.
 - 6. The request is for a dishonest purpose, or to gratify mere curiosity, or is otherwise inimical to the lawful interest of the Cooperative, or is not reasonably germane to the interest of the member as such; or
 - 7. If the Cooperative information requested deals with trade secrets or other information that is privileged, confidential or proprietary.
- D. The Cooperative shall absorb the cost of making available the information set forth in Paragraph II.A. above. Otherwise, a member shall be required to reimburse the Cooperative for all employee time beyond 15 minutes required to retrieve, compile and copy the information requested by such member. Charges for employee time shall be based on the rate of pay for the lowest paid employee authorized to retrieve, compile and copy the requested information. Copying charges shall be assessed at the rate of \$.25 per page.
- E. Whenever any member requests any item described in Paragraph II.B. above, or information not provided for in this policy, such request shall be communicated to the General Manager, or in his absence, the Cooperative's attorney, for examination, inspection and response.

III. RESPONSIBILITY

- A. It shall be the responsibility of the General Manager to administer this policy and to forward any request for privileged information to the President of the Board of Directors.
- B. It shall be the responsibility of the Board President to submit requests for privileged information to the full Board for consideration.
- C. Each member of the Board of Directors shall be responsible for calling to the attention of the President, for discussion before the full Board, any non-adherence to this policy.

ADOPTED: 09/28/82
 REVIEWED: 05/26/87
 REVISED: 09/28/10

Attested: Kevin Liefer
 Secretary

REQUEST FOR INFORMATION FORM

TO: President, General Manager, or Secretary of
Egyptian Electric Cooperative Association
P. O. Box 38
Steeleville, IL 62288

In accordance with the policies of Egyptian Electric Cooperative Association, I hereby submit my request for copies of certain records believed to be maintained by Egyptian Electric Cooperative Association. I hereby warrant, represent and certify that:

1. I am a member of the Cooperative. My full name, address, telephone number and member account number appearing on the Cooperative records is as follows:

_____ (Name)

(City) (State) (Zip Code) (Address)

(Telephone Number) (Cooperative Account Number)

2. I desire copies of the following Cooperative information:

3. The purpose for which I desire copies of this information is:

4. I desire copies of this information for a purpose reasonably related to the business of the Cooperative.

5. I understand that this request for Cooperative information may be denied under the following conditions:
 - A. If the Cooperative information sought is of such a nature that it would:
 - 1) Violate a person's right to privacy, violate any agreement with third parties with respect to trade secrets, or adversely affect the Cooperative in its negotiations with third parties.
 - 2) Adversely affect the Cooperative unduly out of proportion to the possible competing interest of the member seeking such information.
 - 3) Violate the privilege of confidential communication between the Cooperative and its attorney.
 - B. If the Cooperative information is sought for a dishonest purpose, or to gratify mere curiosity, or is otherwise inimical to the lawful interest of the Cooperative, or is not reasonably germane to the interest of the member as such.
 - C. If the Cooperative information sought deals with trade secrets or other information that is privileged, confidential or proprietary.
6. I do not intend to sell or offer to sell any list of members of the Cooperative and I have not, within a five year period, aided or abetted, and do not now intend to aid or abet any other person in procuring any list of members for such purpose.
7. I shall not use the Cooperative information requested for any other purpose other than the purpose specified above.
8. I agree to reimburse the Cooperative for copying charges, and all employee time beyond 15 minutes required to retrieve, compile and copy the information requested by me for all items, except those items listed in Paragraph II.A. of the Cooperative's Policy 107 regarding member access to Cooperative information. Charges for employee time shall be based on the rate of pay for the lowest paid employee authorized to retrieve, compile and copy the requested information. Copying charges shall be assessed at the rate of \$.25 per page.

Submitted and certified to this _____ day of _____, _____.
