

MINUTES OF REGULAR MEETING OF DIRECTORS
August 30, 2011

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, August 30, 2011, at the Steeleville office. The meeting was called to order at 8:30 a.m. with the President and Secretary present.

Present for the **August 30, 2011**, meeting:

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

The consent agenda, consisting of the consideration of minutes of the board meeting held July 26, 2011, the list of checks written for the month of July, the July treasurer's report, capital credit estate refunds (\$11,054.86), the AIEC report, the safety report and the outage report, was approved by a motion from Mr. Liefer, seconded by Mr. Haake. Motion carried.

RIGHT OF WAY REPORT: Travis Deterding reported on the Right-of-way Program. We are presently in the second year of a 4.5/5 year plan. A three year cycle is optimum, and a five-year cycle is the maximum timeframe to be on. There are six subdivisions in the Carbondale area on the "to-do" list that will be challenging since they are small lots, structures close together, and not using ideal equipment. The goal is to ramp up the program and get to a four-year cycle. Our contractor has two pieces of equipment for these type areas and could possibly be available late in the year. After further discussion, Mr. Hicks made a motion, seconded by Mr. Jarrett, to appropriate additional funds, not to exceed \$250,000, for tree trimming and ROW work until the end of the year. Motion carried.

STRATEGIC PLANNING MEETING: Mr. Haake made a motion, seconded by Mr. Jarrett, to approve the minutes of the strategic planning meeting that were handed out at this meeting. Motion carried.

SIPC DIRECTOR REPORTS: The SIPC reports were given by Mr. Liefer, Mr. Haake, and Mr. Riddle. On motion of Mr. Kroening, seconded by Mr. Hicks, the SIPC reports were approved. Motion carried.

MAJOR CAPITAL PROJECTS: The new North circuit out of the Carterville Substation is still in progress. The SI Airport Substation is ready for connection to the transmission line. A Carterville Subdivision and Murphysboro Subdivision are on hold waiting on the developers. Jackson County is working on ROW easements for the Reed Station Road project. In the last month we have had five contacts about new construction---a 5 lot subdivision, 2 8-unit condos, bus terminal, 2 cell towers, and a trailer park. The new phone system is functional with the employees having some onsite training. We now have an automated upfront message---"Thank you for calling Egyptian Electric. For quality assurance, your call may be recorded." Communication is ongoing with Citizens Electric regarding cost effective metering on Kaskaskia Island.

FINANCIAL REPORTS: Mr. Pontow presented the financials for the month of July. There were negative margins (-\$140,814) in July, which put YTD margins at \$1,269,107. Revenue YTD is up 1.1% compared to last July and YTD kWh sales are up 1.5%. Line loss year-to-date is 2.3%, but there should be a swing back to around 6% before year end which in turn will cause margins to drop. Our gross margins on sales are above budget by \$373,047, expenses are under budget by \$293,273, and misc. income is \$197,476 over budget.

LEGAL REPORT: Attorney Broom reported on three issues he is currently involved with for Egyptian Electric---two service area disputes and one right-of-way issue.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report adding to the July operating reports. As we approach year end, there was an update on 2011 goals and what is still left to do. Formal action on new residential rates was tabled until rate schedules for the other classes are determined. Plans are for the new rates to take effect with the March bills/February usage. Daniel Schroeder was hired as an apprentice lineman at Steeleville. Prompted by the recent break-in, additional security equipment will be added at both offices. We are waiting on funds from FEMA for reimbursement on the storms/flooding. We are expecting to recover about \$237,000. Proposed amendments to Policy 115 were also discussed. On a motion of Mr. Liefer, seconded by Mr. Mulholland, the manager's report was approved. Motion carried.

CHRISTMAS PARTY: After discussion, it was decided to have a Christmas party for the employees. The date is December 16. There was a general consensus to give a Wal-Mart gift card for Christmas to each active employee.

CAPITAL CREDITS: The directors have decided to do a general retirement of capital credits in November of 2012. Our current bylaws require capital credits be refunded on a first in-first out basis. The decision is to refund a specified dollar amount. We are looking at refunding 1980 and 1981 capital credits, but only EECA's portion and CFC's portion for those years.

INTERCONNECT AGREEMENT: Susan Anderson of Ava completed interconnect agreements for a windmill and solar panels that she installed. After our engineers inspected her equipment, a visible lockable disconnect needed to be installed. After that installation, the engineers will do a second inspection. Mr. Kroening made a motion, seconded by Mr. Hicks, authorizing conditional acceptance of the interconnect agreement provided the changes are implemented and the systems are given engineer approval. Motion carried.

BOARD EVALUATION: The board evaluation form was discussed briefly. The form used this year had some questions that were not applicable to Egyptian. President Pyatt passed around an alternate form for comment and probable use in the future. There was a general consensus to try the new form in 2012.

Upon reconvening into regular session and there being no further business to come before the Board of Directors, the meeting was adjourned at 11:46 a.m.

Date Approved: September 27, 2011

Kevin Liefer, Secretary
Recorded by Brenda K Rapp, Assistant Secretary