

**MINUTES OF REGULAR MEETING OF DIRECTORS
December 20, 2010**

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Monday, December 20, 2010, in the Steeleville office. The meeting was called to order at 8:30 a.m. with the President and Secretary present.

Present for the **December 20, 2010**, meeting:

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

Raymond Mulholland, Vice President (absent)

The consent agenda consisting of the consideration of minutes of the board meeting held November 30, 2010, the list of checks for November, the November treasurer's report, the safety report and the outage report was approved by a motion from Mr. Kroening, seconded by Mr. Campbell. Motion carried.

AIEC AND SIPC REPORTS: The AIEC report was pulled from the consent agenda and was given by Mr. Pyatt. The SIPC reports were given by Mr. Haake, Mr. Liefer, and Mr. Riddle. On motion of Mr. Jarrett, seconded by Mr. Campbell, the AIEC and SIPC reports were approved. Motion carried.

MAJOR CAPITAL PROJECTS: The Cutler Substation should be energized by noon today. The line extension to the Precision Sand factory had a slight delay; however, the wire is in the ground, but does need to be terminated. After Oilfield upgrades the grounding grid at Lenzburg Substation, they will start construction on the Airport Substation. Walkers Bluff three-phase extension to the Cave has moved up the priority list as service is requested by early Spring. Plans are to start on the SIU TEC project the week after Christmas. The Villas of Carbondale on New Era Road have 50 facilities, but no meters are set. Occupancy expected in early 2011. Our plan is to start on Cedar Creek Estates in March. Willow Creek Subdivision, Carterville, is in the engineering phase. Current discussions involve decorative lighting for the subdivision. The sawmill near Perry County Airport is reopening and may be expanding which could involve a line extension. US Fish and Wildlife has requested a line extension for 30-50 campsites in the area of Johnson Creek Lane-North side of Kinkaid Lake. We are testing the work order interface between our mapping system and our outage system. The interface will eliminate duplicate entries. There are still 66 TURTLE meters on the system on Kaskaskia Island; however, we are still considering our options and discussions continue with Citizens Electric. Payroll procedures are moving to online timesheets which will streamline the process. Vehicle maintenance records are going electronic as well. Our voice radio project is underway with repeaters and base stations going in first and then installing radios in the vehicles. The email system replacement is rescheduled for next week. We have been experiencing numerous animal outages; therefore, our proactive approach to the problem will be to use caps and insulated conductor. Bids for ROW clearance have gone out.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report along with the November operating report. Our kWh sales are up 6.7% over last year. Total kWh purchased is up 22 million from last year. Average revenue per kWh is down 5.7% from last year due to coal and production costs being down. Our YTD margins are \$2,295,830 with only December remaining. Our margins are relative to the weather; and we did have a hot summer. Operating revenue is about \$480,000 over budget. Maintenance expense is about \$187,000 under budget. On a motion of Mr. Kroening, seconded by Mr. Hicks, the manager's report was approved. Motion carried.

AREA MEETINGS IN 2011: The area member meetings are scheduled for Saturday, March 12, at 9 a.m. at the World Shooting Complex, north of Sparta, and Saturday, March 26, at 9 am at Murdale Baptist Church, Carbondale, and a third meeting, more centrally located, will be held at 6:30 pm on Tuesday, March 15, at Campbell Hill Community Center.

2011 LIABILITY INSURANCE: We received our 2011 quote from Federated and will see about a .7% increase for liability insurance (including earthquake) over 2010. We received our quote from ICWCG and our Workers Comp premiums for 2011 will increase about 38% over 2010 rates. Our experience rating modifier jumped from .94 to 1.07 (1.0 is average). This factor is impacted by payroll, job classifications, frequency of employee injuries, and dollar value of the injuries. Mr. Haake made a motion, seconded by Mr. Hicks, to accept the 2011 quotes from Federated and ICWCG. Motion carried.

EGYPTIAN WATER COMPANY: We have not received the final paperwork from USDA Rural Development for the transfer of Egyptian Water Company to Washington County Water Company. The office at Champaign assured us that it is official, but the finance office has not completed the transfers and releases due to their fiscal year end (September 30) and recent personnel changes in that office.

CUSTOMER SERVICE REPRESENTATIVE: With the technology changes currently taking place, the vacated Payroll Coordinator position is being eliminated. The payroll duties and several specific duties of that position will be moved to lateral classifications. We are short a person in our customer service area; thus, we have advertised for a full-time CSR position at our Steeleville office. Resumes and/or applications are due by January 3, 2011.

CAPITAL CREDIT NOTIFICATION: We are looking at our procedures for notifying members, present and past, of their capital credit allocations. In the past we have published the formula for calculating the past year's allocation in our center section of ICL, but we are trying to find a different method of notification that's more individualized. Current members could receive the information on their electric bills; however, the problem lies with notifying past members who have moved and left no forwarding address.

2011 LINE EXTENSION COSTS: After discussion, Mr. Kroening made a motion, seconded by Mr. Liefer, to approve the 2011 line extension costs as presented. Motion carried.

2011 AUDIT: After brief discussion, Mr. Haake made a motion, seconded by Mr. Jarrett, to accept the audit bid agreement with Kerber, Eck & Braeckel at a cost not to exceed \$11,400 and authorize the President to sign the Letter of Understanding. Motion carried.

INTERCONNECT AGREEMENT: Mr. Kroening made a motion, seconded by Mr. Hicks, to approve an interconnect agreement with William Favier in Carbondale. Motion carried. His 2KW solar installation has been inspected and does meet all obligations and policy requirements. Flow is recorded both ways.

VOTING DELEGATES: Mr. Haake made a motion, seconded by Mr. Hicks, nominating the President (Mr. Pyatt) as the voting delegate and the Vice President (Mr. Mulholland) as the alternate voting delegate for the upcoming meetings in 2011. Motion carried unanimously.

POLICY 404 & 405: After discussion of Policy 404---Per Diem, Mileage & Expenses for Directors Attending Various Meetings, Mr. Haake made a motion, seconded by Mr. Liefer, to adopt Policy 404 as revised. Motion carried unanimously. (See attached policy 404). After discussion of Policy 405---Directors-Group Major Medical & Hospital Insurance Plan, Mr. Campbell made a motion, seconded by Mr. Jarrett, to not make any amendments at this time and leave as is. Motion carried. (One negative vote by Mr. Kroening.)

JANUARY BOARD MEETING: The January board meeting will begin at 9 a.m. and is being held at the Prairie State Generating Campus. After the board meeting, there will be a tour of the underground mine facility.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:41 a.m.

Date Approved: January 25, 2011

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