

MINUTES OF REGULAR MEETING OF DIRECTORS
November 29, 2011

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, November 29, 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 **November 29, 2011**, meeting:

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

Absent: Raymond Mulholland

The consent agenda, consisting of the consideration of minutes of the board meeting held October 25, 2011, the list of checks written for the month of October, the October treasurer's report, capital credit estate refunds (\$4,305.75), , the safety report, the outage report, and the AIEC meeting report, was approved by a motion from Mr. Hicks, seconded by Mr. Jarrett. 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. Ebers, the SIPC reports were approved. Motion carried.

MAJOR CAPITAL PROJECTS: The Carterville Substation is still incomplete. The Boskydell Road project has been slowed by the weather. The Reed Station Road project is with engineering. The SI Airport Sub is energized and the TEC building will move from temporary to permanent and be energized on a Saturday in early December. We are looking at new releases/options to upgrade our mapping and outage systems, the AMI system, and anti-virus server.

FINANCIAL REPORTS: Mr. Pontow presented the financials for the month of October. We had negative margins (-\$380,766) for October, which left YTD margins at \$1,473,421. We anticipate that number to drop considerably by year end. Electric revenue YTD is up .7% compared to last October and YTD kWh sales are up 1.4%. Line loss year-to-date is -0.7%; however, we expect the year end line loss to be about 6%. YTD expenses are over budget due to expensing the mapping project in October and gross margin on sales is over budget by almost \$85,000. We have \$60 million in total assets and almost \$36 million in margins and equities.

LEGAL REPORT: Attorney Broom gave an update on the issues he is involved with for Egyptian Electric---service area disputes, a liability claim and the agreement with Citizens Electric. After discussion of the Aid and Assistance Agreement with Citizens Electric and upon the recommendation of Attorney Broom, Mr. Haake made a motion, seconded by Mr. Hicks, authorizing the EVP/GM to sign the agreement with Citizens Electric as presented. Motion carried.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report adding to the October operating reports. He gave an update on the 2011/2012 goals and the 2012 NRECA Annual meeting. He reported on a joint venture/shared services discussion with Jo-Carroll's manager. We are working with CFC regarding a low interest Farmer Mac loan. Talking points on the new rates will be provided to both directors and employees. On a motion of Mr. Kroening, seconded by Mr. Hicks, the manager's report was approved. Motion carried.

2012 CAPITAL BUDGET: There was a review of the preliminary 2012 budget. There were some revised figures to next year's budget that was presented last month. Vehicle replacement figures were reduced as were some of the benefit estimates. A resolution will be presented at the December meeting for a margin or revenue deferral, which will decrease 2011 margins and defer them to 2012 when we are anticipating a loss. We are waiting on SIPC for additional information so the final budget at EECA can be approved at the December board meeting. After discussion and due to some financial incentives before yearend, Mr. Haake made a motion, seconded by Mr. Jarrett, to approve the capital expenditures for 2012. Motion carried.

FEDERATED RURAL INSURANCE REVIEW: Several minor issues were noted after the inspection. Also, additional cameras in key areas were recommended to increase security.

RESAP: (Rural Electric Safety Achievement Program) We expect to receive a \$4000 annual discount on our insurance rates as a result of the process. Safety was at the forefront of our decision to participate in this program. The people who work at Egyptian need to be protected as well as our members. The new RESAP program is a much easier process than the accreditation program.

POLICIES: A proposed policy regarding disconnects of seasonal services and intermittent meter use was discussed. Action was tabled. There was a question about a general communication policy and who is authorized to speak on behalf of the cooperative in different circumstances. If not covered in any of our current polices, a policy may need to be drafted. Action tabled.

ANNUAL MEETING DELEGATES: Since our Vice-President will not be attending the NRECA annual meeting, it was the general consensus that the Secretary-Treasurer be the alternate voting delegate. The President remains as the voting delegate.

UPCOMING MEETINGS: Mr. Jarrett plans to attend the three courses in January and February, which are required courses for CCD certification. Seven directors plan to attend the NRECA annual meeting.

At 11:42 a.m. the board went into executive session.

Upon reconvening into regular session and there being no further business to come before the Board of Directors, the meeting was adjourned at 11:54 a.m.

Date Approved: December 20, 2011

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