

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
AUGUST 28, 2018

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 6:00 P.M. at the Headquarters of the Cooperative, 14300 State Highway 97, Petersburg, County of Menard and State of Illinois.

On roll call the following Directors were present: President D. Jay Frye, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Roy H. Seaney, and Steven L. Worner. Directors Dennis Ryan and Jodine Tate were absent. Also present was Manager of Accounting & Information Systems Chris Hinton, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were three (3) changes to the Agenda, being that RESAP Summary under the Managers Report was deleted, Co-Bank Director Election for Delegate for Region V Federated Insurance Exchange Meeting was added and Sale of Kelso Auditing Firm to Jackson Thornton & Co., P.C. There were no other changes or additions to the Agenda. Thereafter, with President Frye presiding and with these minutes being transcribed by or under the direction of Secretary Patrick, the following procedures were had (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the Board, or without dissenting vote or abstention, unless otherwise stated).

Manager Anker introduced Thomas Yokley, Mayor of Williamsville, who had requested the opportunity to speak to the Board. The Mayor was there to discuss the proposed ForeFront Power Solar Farm, which involved territory currently served by Menard, as well as territory served by Ameren. The Mayor reviewed the proposed Project and gave a presentation of the Solar Project. The Mayor answered questions from the Board. After discussion by the Board, it was moved and seconded the Cooperative contact Ameren and authorize the Manager to enter into discussions with Ameren with regard to a territorial swap. Motion carried.

Manager of Accounting & Information Systems, Chris Hinton, presented a review of the 2017 IRS Form 990.

President Frye reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

Manager Anker reviewed the Switching Arrangements Agreement that had been discussed at last Month's Board Meeting. It was moved and seconded that the Agreement be approved. Motion carried. Manager Anker also discussed the Department of Commerce and Economic Opportunity (DCEO) LIHEAP Program Agreements. She advised that there were four (4) separate Agreements being with Community Action Partnership of Central Illinois, the Sangamon County Department of Commerce, MCS Community Service and the Tazewell Community Service, Inc. After discussion, it was moved and seconded that each of the four (4) Agreements be approved. Motion carried.

Manager Anker presented the Manager's Report for July 2018. She reviewed the Balance Sheet and Budget. She reviewed the Rebate Summary. Under the Safety Report, she reported that there were no injuries for the month. She discussed the issue with regard to member and the horsepower reduction on his irrigation system. She presented the Reliability Report. Under the Operations Report, she advised the causes of various outages. Under the Irrigation Report, she advised that there was one more system for 2019. She presented the monthly IT Security Report. She advised what materials would be in the Illinois Country Living center section and advised that the articles focusing on the 2018 Co-Bank Sharing Success donations. Manager Anker reviewed the Co-Bank Election form for Director. She advised that there were two (2) candidates running for Co-Bank Board. She discussed the various qualifications of the two (2) candidates. After discussion, it was moved and seconded that the Cooperative vote for William J. Conley. Motion carried. Manager Anker discussed the Region V Federated Insurance Exchange Meeting. She advised that the Cooperative would need to appoint a Delegate. It was moved and seconded that Director Goetsch be the Delegate. Motion carried. Manager Anker discussed the fact that long time Cooperative Auditor, Kevin Kelso, had sold his practice to a national Firm called Jackson Thornton & Co., P. C. She advised that authorization to move the Cooperative's records would be a full transfer of Cooperative information from one Accounting Firm to the other. It was moved and seconded to approve the transfer. Motion carried. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Manager Anker presented the financial report for the month of July. Year to date margins were \$1,654,670 compared to \$2,281,189 last year. Equity at the end of July was 39.84%. Member accounts served was 10,887. Net utility plant was \$48,858,158 compared to \$46,988,992 last year. Co-op meets requirements of RUS, FFB, NRCFC & CoBank.

Manager Anker reviewed the NRECA/CFC Governance Task Team Report, Series Part One (1) of four (4) parts.

Director Goetsch reported on AIEC Activities. He was recognized for the fact that he had been elected President of the State Association Board at the organizations most recent annual meeting.

Director Martin reported on Prairie Power, Inc.

Director Goetsch presented the Report from the Bylaw Policy Committee Meeting. He advised that the Board had discussed and reviewed the proposed Metering Equipment Policy, the Interconnection and Parallel Operation of Distributed Generation Policy, the Interconnection of and Service to Qualifying Facilities under PURPA Policy, and the Mileage Compensation for use of Employee-Owned Vehicles and Commuting Rule for Company Vehicles Policy. It was moved and seconded that these Policies as presented, be adopted. Motion carried.

Manager Anker presented the Capital Credit Estate Refunds Report.

It was moved and seconded that the Board enter into Executive Session. Motion carried. It was moved and seconded that the Board reconvene the monthly Board Meeting. Motion carried. It was moved and seconded that the Board confirm and ratify all action taken in the Executive Session. Motion carried.

President Frye reported that next month's Board Meeting was scheduled for October 2, 2018, at 6:00 p.m.

Under other business, President Frye reminded the Board that the Strategic Planning Session was scheduled for December 4-5, 2018, at Roots, which is located across the highway from the Cooperative Headquarters.

There being no further business to come before the Board, it was moved and seconded the Meeting be adjourned. Motion carried.

Respectfully submitted,

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Secretary

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President