

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
FEBRUARY 20, 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, Dennis Ryan, Roy H. Seaney, and Steven L. Worner. Director Jodine Tate was absent. Also present was Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were no 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).

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

Manager Anker presented the Manager's Report for January 2018. She reviewed the Balance Sheet, Budget, as well as the Long Term Debt Schedule. She also discussed the Co-Bank Revolving Line of Credit Extension. It was moved and seconded that the following Resolution be adopted:

RESOLUTION

WHEREAS, the Cooperative and Co-Bank, ACB, entered into a Revolving Credit Promissory Note and Supplement, dated August 8, 2011 as entered as of November 22, 2017 between Co-Bank, ACB, hereinafter referred to as "Co-Bank" and Menard Electric Cooperative, hereinafter referred to as "Company"; and,

WHEREAS, it is necessary the term of the commitment change to from the date hereof up to and including August 31, 2018, or such later date as Co-Bank may, in its sole discretion, authorize in writing.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the appropriate Officers of the Company are authorized to enter into the Amended and Restated Revolving Credit Promissory Note and Supplement, the term of the commitment will be from the date, up to and including August 31, 2018, or such later date as Co-Bank may, in its sole discretion, authorize in writing.

Motion Carried

Manager Anker reviewed the Rebate Summary and the Safety Report. Under the Operations Report she advised of the nature of the various outages and the causes of those outages. She reviewed the terms of the RUS Form 790 and advised that after receiving bids the contract for 2018 had been awarded to LE Myers Company. It was moved and seconded that RUS Form 790 be approved and adopted. Motion carried. Manager Anker presented the Irrigation Report. She also advised that there were two new solar additions. She advised under the monthly Security Report that Prairie Power had reviewed the vulnerability of various Cooperative passwords. She presented an outage management summary update and made a presentation of how the system worked. Manager Anker also advised that the Staff would review monthly proposed ICL center sections. She reviewed the next center section and she reviewed what is to be included in it. She advised that there had been a Public Hearing in Mason County for a new Substation called Grand Island and there were no objections thereto. 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 January. Year to date margins were (\$37,800) compared to \$102,314 last year. Equity at the end of January was 39.20%. Member accounts served was 10,889. Net utility plant was \$47,874,712 compared to \$45,779,808 last year. Co-op meets requirements of RUS, FFB, NRCFC and CoBank.

Director Patrick reported on the status of plans for the 2018 Annual Meeting of members, which is to be held on June 14, 2018, at the PORTA High School, Petersburg, Illinois.

Director Goetsch and Manager Anker reported on a revision to the Substance Abuse Policy. After discussion, it was moved and seconded that the Policy, as revised, be adopted. Motion carried.

There was then discussion about a change to be made to the Cooperative ByLaws Section 4.02 Qualifications for a Candidate for the Board. At last month's monthly meeting, the Policy/ByLaws Committee recommended to the Board that there be a change in the portion of the ByLaws with regard to the issue of primary residential abode within a Cooperative District. It was moved and seconded that the language change as presented at last month's meeting be submitted to the membership for their consideration and adoption at the Annual Meeting. Motion carried.

Director Goetsch reported on AIEC Activities. He advised that the Board had decided to proceed with certain renovations to the AIEC Headquarters for a Board Room. He discussed the total cost therefore and what was to be Menard's share of the cost.

Director Martin reported on Prairie Power, Inc.

Manager Anker presented the Capital Credit Estate Refunds Report.

President Frye discussed plans for the NRECA Annual Meeting in Nashville, Tennessee, and reviewed the schedule of events.

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.

President Frye reported that next month's Board Meeting was scheduled for March 27, 2018, at 6:00 p.m.

Under other business, President Frye advised was a Co-Bank Conference in Bloomington, Illinois, on March 15-16, 2018. He also advised that the NRECA Legislative Conference was scheduled for April 8-11, 2018, in Washington, D. C. He reminded the Board that the Prairie Power Annual Meeting was scheduled for June 20, 2018 at the Crowne Plaza, Springfield, Illinois.

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